16 January 2016

The Hon. Marlene Kairouz MP
Minister for Consumer Affairs, Gaming and Liquor Regulation
Level 26, 121 Exhibition Street
MELBOURNE VIC 3000

Dear Ms Kairouz,

SUBMISSION ON GAMING MACHINE HARM MINIMISATION MEASURES

LeadWest welcomes the Victorian Government’s commitment to do more to reduce gambling-related harm as set out in their 2014 election commitment.

LeadWest also welcomes the opportunity to provide the Office of Liquor, Gaming and Racing with a submission in response to the Gaming Machine Harm Minimisation Measures Consultation paper, although notes that a number of our members have expressed disappointment at both the short timeframe for submissions, and the timing of the consultation.

About LeadWest

LeadWest is the regional organisation for Melbourne’s west. Focused on advocacy for the region, LeadWest is a nonpartisan and not-for-profit, membership-based organisation.

LeadWest’s membership includes all six local governments in Melbourne’s west and they are joined by major companies and other organisations, each with substantial operations or interests that are based in Melbourne’s west.

LeadWest also has a growing number of Affiliates, primarily not-for-profit organisations and each playing a significant role in our region.

You can access more information on LeadWest at www.leadwest.com.au

LeadWest’s objective is to foster and undertake actions that will support sustainable growth and development of Melbourne’s west.
LeadWest is guided by the Western Agenda, which encourages cooperative efforts to create a prosperous, sustainable, healthy and fair existence in Melbourne’s west, thereby improving the lives of the people living and/or working within the region.

LeadWest acknowledges the Victorian government’s position that for the majority of Victorians gambling is a legitimate and enjoyable recreational activity, in which they can participate without causing harm to themselves or others.

Nevertheless, LeadWest recognises that gambling can have catastrophic consequences for some people and keenly perceives the need to do more to reduce gambling-related harm, particularly in Melbourne’s west.

**Melbourne’s west**

Located immediately to the West of Melbourne’s central business district and stretching to the urban fringe, Melbourne’s west encompasses the municipalities of Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley and Wyndham.

Over the past decade Melbourne’s west has experienced strong population growth. The residential population growth of 4.3% per annum in Melbourne’s west between the 2006 Census and the 2011 Census was almost double Victoria’s population growth rate for the same period. The high rates of population growth are forecast to continue. There are currently 250 babies born each week to mothers residing in Melbourne’s west.

Melbourne’s west is also a region that welcomes people from around the world and is enriched by cultural and linguistic diversity. Our region has among Australia’s highest rates of overseas born and is one of the most culturally diverse areas in Victoria. People from more than 130 different nations have made their new home in Melbourne’s west.

The socio-economic conditions in Melbourne’s west vary across the region; however on average Melbourne’s west had a relatively low SEIFA score of 986 in 2011. This index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations.

The unemployment rate in Melbourne’s west was 7.3% in June 2016, higher than the rate of 5.6% for both Greater Melbourne and Victoria.

The City of Brimbank within Melbourne’s west scored 926 on the SEIFA Index of Disadvantage in 2011, which ranked it at number 3 in level of disadvantage among the municipalities of Victoria – placing it among the most disadvantaged 4% of municipalities in the state.
With an unemployment rate of 10% in June 2016, Brimbank has the highest unemployment rate of all local government areas in Melbourne’s west, almost double the rate in Greater Melbourne, Victoria and Australia.

Over half of Brimbank’s residents speak a language other than English, and there are over 160 languages spoken in the municipality.

Despite the higher unemployment rate and higher levels of socio-economic disadvantage the City of Brimbank has the highest number of EGMs of all municipalities in Melbourne’s west, with 15 venues (939 EGMs), which together contributed to $143.1m in losses in 2015/16 alone.

**Electronic Gaming Machines in Melbourne’s west**

In Melbourne’s west there are 4,082 Electronic Gaming Machines (EGMs) across 65 venues, which together contribute to $476.5m in losses across the region (as of 2015-2016).

Based on figures from the Victorian Commission for Gambling & Liquor Regulation (VCGLR) for 2015-2016, the average per adult EGM gambling losses for each of the local government areas of Melbourne’s west are significantly higher than for both the Melbourne Metro area ($576) and for Victoria ($526).

The VCGLR figures (see table 1) demonstrate that Brimbank is ranked #1 for EGM losses in Victoria, with an average loss of $906 per adult.

**Table 1: EGM Gambling Measures for Melbourne’s west 2015-2016**

<table>
<thead>
<tr>
<th>Local Government Area (LGA)</th>
<th>Number of Venues with EGMs</th>
<th>Number of EGMs</th>
<th>Machines per 1,000 Adults</th>
<th>EGM Gambling Losses 2015/16</th>
<th>Losses (per Adult) 2015/16</th>
<th>Losses by state ranking (against 70 LGAs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brimbank</td>
<td>15</td>
<td>939</td>
<td>5.9</td>
<td>$143m</td>
<td>$906</td>
<td>1</td>
</tr>
<tr>
<td>Wyndham</td>
<td>13</td>
<td>891</td>
<td>5.7</td>
<td>$97m</td>
<td>$620</td>
<td>8</td>
</tr>
<tr>
<td>Moonee Valley</td>
<td>11</td>
<td>732</td>
<td>7.5</td>
<td>$75m</td>
<td>$775</td>
<td>14</td>
</tr>
<tr>
<td>Melton</td>
<td>7</td>
<td>503</td>
<td>5.0</td>
<td>$60m</td>
<td>$600</td>
<td>19</td>
</tr>
<tr>
<td>Maribyrnong</td>
<td>9</td>
<td>440</td>
<td>6.4</td>
<td>$54m</td>
<td>$784</td>
<td>23</td>
</tr>
<tr>
<td>Hobsons Bay</td>
<td>10</td>
<td>577</td>
<td>7.8</td>
<td>$47m</td>
<td>$633</td>
<td>26</td>
</tr>
</tbody>
</table>
Factors contributing to gambling consumption, harm and resilience

The Productivity Commission (2010) estimates that between 0.5 per cent and one per cent of adult Australians are likely to be problem gamblers and a further 1.4 to 2.1 per cent of Australian adults are vulnerable to problem gambling.

The estimated residential population of Melbourne’s west in 2015 was 837,890. Consequently, application of the Productivity Commission estimates suggests that in Melbourne’s west there are between 4,190 and 8,380 residents who likely to be problem gamblers and between 11,730 and 17,600 of the region’s residents are vulnerable to problem gambling.

The Australian Centre for Gambling Research (ACGR) is currently studying the environmental factors that contribute to different levels of gambling consumption, harm and resilience.

The ACGR’s researchers are seeking to account for differences in the distribution of gambling related harm between places. Whilst this study has not been completed, preliminary findings show that:

- High levels of exposure to high intensity forms of gambling, combined with high levels of social stress, often contribute to severe crisis and ongoing harms from gambling in poorer neighbourhoods.
- Substantial harms are also occurring in middle income areas, however, in these communities those affected are more likely to have access to resources to support them in absorbing – and in some instances – recovering from harm.

The ACGR’s study examines a site in Melbourne’s west as it has high EGM expenditure and high levels of relative socio-economic disadvantage. It also examines a site in Melbourne’s East that has relatively low EGM expenditure and low levels of relative socio-economic disadvantage. The ACGR found that in comparison to the site in Melbourne’s East, the site in Melbourne’s west has many more gambling venues, double the number of EGMs and more than three times the amount of per capita losses.

Gaming Machine Harm Minimisation Measures

LeadWest is a member of the Alliance for Gambling Reform, a collaboration of organisations with a shared concern about the deeply harmful and unfair impacts of gambling and its normalization in Australian culture.
LeadWest acknowledges the challenges inherent in developing policies that strike the right balance between minimising the harm caused by problem gambling and allowing those who can gamble safely to do so.

Nevertheless, LeadWest’s view is that the VCGLR figures in table 1 and the preliminary findings from the ACGR highlight the need for stronger harm minimization measures, particularly for problem gamblers in areas experiencing socio-economic disadvantage, such as those in Melbourne’s west.

LeadWest welcomes the Victorian Responsible Gambling Foundations (VRGF) work to foster responsible gambling and reduce gambling-related harm, and supports the Victorian Government’s provision of additional funding and the expansion of the Foundations function to include an advocacy and policy role.

LeadWest encourages the Victorian Government to continue to explore opportunities to enhance the extent and effectiveness of gambling related harm minimization measures, such as the independent evaluation of the implementation and effectiveness of state-wide voluntary pre-commitment scheme, YourPlay.

At present, data available for YourPlay in regard to gaming machine sessions, activated cards and player accounts is only available at a state-wide level.

Providing data at a regional and municipal level would help to show where YourPlay is working and where further marketing for YourPlay is required.

LeadWest notes that the YourPlay messaging online www.yourplay.com.au is currently only available in English, however, links to translated information in thirteen languages is provided to venues for printing.

LeadWest also notes that it is the responsibility of the venue to request links to brochures in languages other than English and to have the brochures printed for display with no apparent measures in place to ensure this is carried out.

LeadWest acknowledges that the Department of Justice is working with the YourPlay Service Provider to make changes to the website which will include translation of information in 13 languages and that radio advertising as part of the communications campaign was included on CALD radio stations.

LeadWest perceives opportunities for innovative solutions to harm minimisation for all gambling products and has responded accordingly to each of the each of the questions outlined in the Gaming Machine Harm Minimisation Measures consultation paper.

LeadWest looks forward to opportunities to work with the Office of Liquor, Gaming and Racing as it considers whether existing harm minimization measures are
appropriate and effective, and works to ensure future measures promote the health and prosperity of the Victorian community.

If you would like to discuss this submission further, please contact me directly on 9311 5577 or Craig.Rowley@leadwest.com.au

Yours sincerely,

Craig Rowley
Chief Executive Officer
LeadWest
Submission: Gaming Machine Harm Minimisation Measures

<table>
<thead>
<tr>
<th>Name</th>
<th>Mr Craig Rowley - LeadWest</th>
</tr>
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<tbody>
<tr>
<td>Organisation</td>
<td>LeadWest</td>
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<tr>
<td>Email address</td>
<td><a href="mailto:craig.rowley@leadwest.com.au">craig.rowley@leadwest.com.au</a></td>
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<td>Address</td>
<td>Level 2, 301 Hampshire Road, Sunshine, 3020</td>
</tr>
<tr>
<td>Telephone</td>
<td>03 9311 5577</td>
</tr>
</tbody>
</table>

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

The removal of ATMs from venues has been a positive move in limiting easy access to cash, however EFTPOS has essentially become the replacement. Evidence shows that problem gamblers have multiple EFTPOS withdrawals per gambling session. Imposing an EFTPOS transaction limit would affect very few casual gamblers, but would have significant positive effects on those with gambling problems. LeadWest’s agrees with views of the local governments in Melbourne’s west and the Victorian Local Government Association (VLGA) that the current $200 per EFTPOS transaction limit should be replaced with an enforceable personal daily limit of $200 in gaming venues.

**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?

LeadWest supports the maintenance of the $1,000 threshold for payment of winnings which reflects the intent of current legislation which ensures those at risk due to their gambling cannot immediately access their winnings. LeadWest encourages the Victorian Government to consider replacing the current practice of payment of winnings by cheque with the option for an electronic transfer (using EFTPOS, bank deposit or other electronic deposit) to be processed the
The following day. This would keep the intention of the original legislation – that large winnings are not immediately available for further gambling (a behaviour which strongly indicates a gambling problem).

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

LeadWest is not opposed to replacing payment by cheque with payment via EFT, however, it is important to ensure a ‘cooling off’ period similar to that of clearance times for cheques is maintained.

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

LeadWest is not opposed to the introduction of other payment methods, however, as per our response to Q.3 would like to see a mechanism introduced to prevent immediate access to the winnings.

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

LeadWest does not support the exchange of personal cheques for cash by venue operators.

This undermines other safety measures put in place such as the issuing large winning by cheques and maximum EFTPOS cash withdrawals in addition to making it easier for patrons to access cash.

**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?

LeadWest strongly endorses and supports greater transparency and strong regulation to prevent gamblers from being deceived into gambling more than they or their families can afford.
LeadWest agrees with the local governments in Melbourne’s west and the VLGA that cashless gambling and Ticket-in Ticket-out (TITO) should not be legalised in the absence of mandatory pre-commitment.

There is already a strong body of research demonstrating that those who use machines and experience problems lose track of the monetary component of their gambling while using machines. Further removal of tangible monetary indicators would intensify this problem and directly create addiction.

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?

LeadWest supports the view of the VLGA that the current codes are a weak form of self-regulation, and are not enforced in any meaningful sense.

The Victorian Responsible Gambling Foundation (VRGF) should be asked to review and re-write the code of conduct in line with the VRGFs best practice guide with the aim of ensuring venue operators are actively engaged, particularly in relation to staff training, in the prevention of gambling harm (e.g. education, patron interactions).

LeadWest would like to see the enforcement of greater accountability placed on venue operators as to how they account for their community benefit. Although venue operators are legally required to comply with the Responsible Gambling Code of Conduct, examination of a selection of community benefits statements of clubs and hotels in Melbourne’s west makes it apparent they do no more than what is required.

LeadWest does not agree with loyalty schemes being used for gambling activity. The practice of providing rewards for increased gambling is clearly contrary to a harm minimisation approach to problem gambling given the clear evidence that the more
a person gambles the more they lose and the more likely they are to become
problem gamblers.

**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?

LeadWest supports the view that there should be a separate offence for failure to respond to demonstrations of problem gambling. The offence could be created along similar lines to that governing the serving of Alcohol to people who are intoxicated (Liquor Control Reform Act 1998).

As operators of a high-risk and potentially harmful product, gambling venue operators have a duty of care to ensure that their customers are not harmed by their product, as far as is practical.

This offense should cover all gambling venues in the state with consideration made for how this might be applied to non-venue based gambling offered within Victoria.

LeadWest supports the call for the establishment of a Gambling and Liquor Ombudsman to provide an avenue for complaints about the operation of gambling venues and services.

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

LeadWest acknowledges that for self-exclusion programs to be successful they need to be; understandable, enforceable, work across multiple venues and, in addition to English be published in CALD languages.

Self-exclusion systems should be simple and easy to use, and allow a person to restrict themselves from as many venues as they require. This system should be covered by a single point of entry and administered by Gambler’s Help services.

LeadWest encourages the Victorian Government to investigate the possibility of introducing ID Scanning systems similar to those used in high risk late night venues which could also be used in gambling venues.

An ID Scanner system at a single point of entry would quickly inform venues when a person who has excluded has entered their venue, with the additional benefit of information being able to be easily shared amongst gaming venues statewide.
Q.10. Should there be one self-exclusion program in Victoria?

See response to Q.9

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

LeadWest agrees with the views of the local governments in Melbourne’s west that compulsory pre-commitment would be better than voluntary pre-commitment as currently gamblers are only required to volunteer how much they are prepared to lose.

Further to the response provided in Q.9:

- There should be one Self-exclusion systems that applies to all venues.
- The system should be simple and easy to use.
- Third parties should be able to apply for person to be excluded from a venue.
- A person must be able to restrict themselves from as many venues as required.
- This system should be covered by a single point of entry and administered by Gambler’s Help services.
- Excluded persons should be removed from mailing lists and incentive programs.
- Excluded persons should have to actively reinstate themselves at end of the exclusion period.

ID Scanner technology, similar to that used in high risk late night venues would provide an easy to use means of supporting problem gamblers who are excluded from gaming venues.

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

LeadWest encourages the continuation of annual reviews on venue compliance, however, to increase transparency and accountability these should be undertaken by a third party, not the venue operator.
Q.13. Should there be a separate offence for venue operators who knowingly allow self-excluded persons to enter or remain in the venue?

LeadWest supports the introduction of a separate offence for venue operators who knowingly allow excluded gamblers to use gambling products. The penalty should be similar to those applied to those who knowingly serve intoxicated or underage persons alcohol, and the breach penalty should accrue to both the staff member and the venue/operator.

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

LeadWest understand that the VRGF has worked on an extensive training program for gambling venue staff, implementation of which is to start from January 2017. The proposed program will have 2 modules; a preliminary online session which must be completed within one month of employment followed by module 2 which will be delivered by the Venue Support Worker program of Gamblers Help. This must be undertaken within 6 months of employment.

LeadWest is unclear as to why the Office of Gaming and Liquor Regulation would be further considering a new requirement at this time.

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

Any employee who may work in a gaming areas should be required by law to undertake Responsible Service of Gaming Training.

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

The Victorian Responsible Gambling Foundation
**Q.17.** Do you think regional caps and municipal limits should be maintained? Why?

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

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

<table>
<thead>
<tr>
<th>LeadWest encourages the Victorian Government to undertake a comprehensive review of the effectiveness of regional caps in Victoria to inform future municipal limits and regional cap levels and to find approaches that will effectively reduce gambling related harm. The review should pay attention to disadvantaged communities just outside capped areas.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LeadWest supports the review in light of decades of high loss (expenditure) patterns in venues, in some of the most disadvantaged areas in Metropolitan Melbourne and the region of Melbourne’s west.</td>
</tr>
<tr>
<td>Growth areas such as Melton in Melbourne’s west, where significant population increases are occurring should not lead to an increase in EGMs that will in turn lead to increased risk from gambling harm.</td>
</tr>
<tr>
<td>Findings from the Regional Electronic Gaming Cap Review (2005) recommended a universal cap to be set at 8.0 EGMs per thousand adults, however this was not implemented, with current caps in many areas well exceeding this level.</td>
</tr>
<tr>
<td>In Melbourne’s west alone, regional caps and municipal limits are not consistent and vary for different areas.</td>
</tr>
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<td>The City of Brimbank had an unemployment rate of 10% in June 2016, the highest of all local government areas in Melbourne’s west, almost double the rate in Greater Melbourne, Victoria and Australia.</td>
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</table>
| LeadWest encourages the Gaming Machine Harm Minimisation Measures Review to acknowledge that the current densities reflect a higher concentration and unfair
spread of gaming machines in areas experiencing high levels of social and economic disadvantage, and reduced diversity of social and recreational opportunities.