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

<table>
<thead>
<tr>
<th>Name</th>
<th>Gavin Wilson.</th>
</tr>
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<tbody>
<tr>
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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

<table>
<thead>
<tr>
<th>Q.1. Is the current $200 per EFTPOS transaction limit appropriate? If not, what other regulatory measures would support the objectives of the Act?</th>
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<tr>
<td>That the current $200 per EFTPOS transaction limit instead should be replaced with an enforceable personal daily limit of $200 in a gaming venue. This would affect very few casual gamblers, but would have significant positive effects on those with gambling problems.</td>
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**Evidence:**

This position is strongly supported by findings from Hare, S. (2015)\(^1\) which 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).

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<th>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?</th>
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<tr>
<td>The current $1000 threshold for payment of winnings by cheque should instead be replaced with the option for an electronic transfer (using EFTPOS, bank deposit or other electronic deposit) to be processed 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).</td>
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\(^1\) Hare, S. (2015) Study of Gambling and Health in Victoria, Victoria, Australia: Victorian Responsible Gambling Foundation and Victorian Department of Justice and Regulation.
**Q.3.** Should payment by EFT be permitted in addition to, or as a replacement for, payment by cheque?

Discussed in Q.2.

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

No comment provided.

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

Venues should not be able to exchange personal cheques for cash. This practice allows cheques issued as winnings in one venue to be exchanged at another, and encourages the checking of large amounts rather than small and discretionary recreational gambling.

Other businesses (such as loan providers, pawn shops, and banks) should be prohibited from cashing these cheques on the same day as they were issued. These businesses should also be prohibited from advertising the cashing of cheques by gamblers.

**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 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.

**Evidence:** this position is strongly supported by findings from Hare, S. (2015)\(^2\) which found that:

A range of studies have established that many gamblers will lose track of both money and time during gambling and are frequently unaware of whether they are ahead or behind in play (e.g., McDonnell-Phillips, 2006; Nower and Blaszczynski, 2010). For this reason, the study examined how often gaming machine players lost track of both money and time during play in the past 12 months. This was also measured in 2014 to permit a baseline for future follow-up after implementation of pre-commitment in Victoria (on December 1, 2015). Results are in Figure 23 and

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Figure 24. Consistent with findings of past studies (e.g., McDonnell-Phillips, 2006), compared to non-problem gamblers, all at risk categories were significantly more likely to lose track of both money and time during gambling (Problem gamblers – Money t=11.38, p<.001).  

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<th>Q.7. What opportunities are there to improve the way codes operate in Victoria?</th>
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<td>▪ Are there other models that would be more effective? If so, what are they?</td>
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<td>▪ Would a more prescriptive approach for all venue operators be better? Could the operation of codes be simplified?</td>
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<td>▪ Are there other matters that should be provided for in the Ministerial Direction for codes?</td>
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<td>▪ What requirements for loyalty schemes should be included in a code to promote responsible gambling?</td>
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<td>▪ 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?</td>
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Current codes are a feeble form of self-regulation, and are not enforced in any meaningful sense.

The Victorian Responsible Gambling Foundation should be asked to write a code of conduct. The Foundation has recently released a best practice guide which provides a comprehensive set of indicators which venue operators and staff should be aware of and act on, and a set of actions which follow from these.

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<th>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?</th>
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<td>There should be a separate offence for failure to respond to demonstrations of problem gambling. 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.</td>
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<td>This offence should cover all gambling venues in the state.</td>
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<td>The Government should consider how this might be applied to non-venue based gambling offered within Victoria.</td>
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<td>Penalties for offences considered by this consultation should be linked to venue losses. As a guide, one penalty offence should be equivalent to the average daily losses on EGMs in that venue.</td>
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Establishment of an Ombudsman

The Government should establish a Gambling and Liquor Ombudsman. This officer would be 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?**

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.

As a supplement to any system, an app could be developed that informs venues when a person who has self-excluded has entered their venue, using existing geolocation systems in phones. This would be a voluntary system but could help enhance the operation of self-exclusion.

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

Discussed in Q.9.

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

Discussed in Q.9.

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

No comment.

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

There should be a separate offence for venue operators who knowingly allow excluded gamblers to use gambling products. This 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?**

The Victorian Responsible Gambling Foundation has worked on an extensive training program for gambling venue staff, implementation of which is to start from January 2017. It is understood that this 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.

It is unclear why the Office of Gaming and Liquor Regulation would be further considering
this at this time given that the new model is about to be implemented and is yet to be evaluated.

As a principle, if there is more advanced training then this should be compulsory for all staff who work in the gaming room.

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

The venue floor manager should be required to undertake advanced training that identifies problem gambling and instructs that person on how to intervene to reduce their risk of harm. A penalty should be introduced to be levied on venue operators who allow their venue to operate at any time without a suitably trained manager.

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

The Victorian Responsible Gambling Foundation should be responsible for the development and provision of this training.

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

Current regional and municipal caps present serious issues for growth areas, in which large numbers of new venues are able to be established.

The current situation allows for numbers of machine well above the density of 10/1000 adults set at a municipal level in the sub-municipal areas. These are frequently as high as 20/1000 and often above 15/1000, which is highly undesirable from a public health perspective.

Findings from the Regional Electronic Gaming Machine Capped Areas Review (2005) recommended a universal cap to be set at 8 EGMs per thousand adults. Whilst the panel recommended this cap, State Government set different densities for the different capped regions via the Order under Section 3.2.4(1) of the *Gambling Regulation Act 2003* (Victorian Government Gazette No S 361, 20 October 2009).

Regional caps were introduced in 19 regions based on:

- Ten gaming machines per 1,000 adults, or
- The number of gaming machines per 1,000 adults at the date of the order (12 Oct. 2006)

There was no evidence base in the development of the capped regions that determines the maximum permissible number of entitlements in Victoria. There has been little research into the effectiveness of regional caps to date in Victoria or Australia, and therefore as an effective harm minimisation strategy it is difficult to provide a measured response that is supported by evidence, feedback from Councils or the community. The
timeframes for this process are not conducive to meaningful consultation with the community on this issue.

In addition, the areas in Victoria that operate with a partial capped area (such as Casey) have now seen growth expand beyond the geographical area originally designated. This has allowed venues to establish on the periphery without proper consideration being given to existing communities within the cap or acknowledging the traits of the existing communities extending out into new suburbs. This is further explored in Q.18.

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

### Different caps for different areas

For Hume City Council, the Regional Cap was set at 10 EGMs per 1,000 adults, while in Banyule the cap was set at 2.93; Darebin at 8.85; Moreland at 8.75 and Whittlesea at 7.02. The Regional Caps should be reviewed in light of decades of high loss (expenditure) patterns in venues, in some of the most disadvantaged areas in metropolitan Melbourne.

### Disadvantaged communities just outside capped areas

In Hume, for example, West Meadows is not included in the capped area. However this area is home to the Westmeadows Tavern with 40 EGMs as well as families experiencing significant levels of social and economic disadvantage (the area contains significant levels of public housing).

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

### Growth should not lead to an increase in EGMs

Growth areas, such as the municipalities of Hume, Whittlesea and Casey where there are significant population increases, are at risk from the harms of gambling where caps are determined on population. An increase in population should not equate to more EGMs, especially in those areas which are already experiencing very high levels of losses and harm.

### Are the current regional cap and municipal limit levels appropriate?

The number, location, and distribution of gaming machines are critical factors when examining the impacts of gaming on local communities.

### Unequal distribution

There is an unequal distribution of gaming machines within metropolitan Melbourne, where some local government areas experience higher gaming densities, such as 8 EGMs per 1,000 adults (City of Greater Dandenong with SEIFA index of 894.87 and ranked 1 in the State) and lower densities of 1 EGM per 1,000 adults (City of Boorondara with SEIFA index of 1097.63 and ranked 79 in the State). The current gaming machine densities reflect a higher concentration in areas experiencing high social and economic disadvantage.
disadvantage, and a reduced diversity of social and recreational opportunities.

Experiences higher losses in capped areas

Some municipalities experience higher losses per machine in their capped areas than in their non-capped areas. For example, in Hume the four top venues for expenditure for the year 2015/2016 are in the capped area of the municipality. When expenditure across all venues of capped and non-capped areas is averaged out, average expenditure per EGM is higher in the capped area at approximately $158,383 per year in comparison to the non-capped area at approximately $101,578 per year.

Based on Hume’s experience, caps that were introduced primarily to protect vulnerable communities in areas identified as having relatively high levels of disadvantage, combined with high number of EGMs per adult and high levels of gambling losses, are not effective.

It needs to be acknowledged that there is currently an unfair spread of gaming machines within the Melbourne metropolitan area, where a significantly larger proportion of machines are located in areas experiencing high levels of social and economic disadvantage. These numbers should be reduced. A more equitable distribution of EGMs throughout the metropolitan area should be considered to ensure that the financial benefits (and costs) of gaming are distributed more fairly and that they support alternative social/recreational activities.

Is the government considering other approaches and tools to reduce harm from gaming in our communities?

In addition, the Victorian regulatory system needs to be responsive to regular reviews in order that the distribution, number and densities of EGMs are fair and attain the objectives of capping – namely to “protect communities that are most vulnerable to the harmful effects of gambling” (Regional EGM Cap Review Panel: Final Report November, 2005, p xi).

One option would be that any council where the per capita loss on EGMs is 20% above the State-wide average is capped at current levels. This would provide genuine protection for communities that are hardest hit by gambling losses. On current loss data, this approach would prevent additional machines being located in the following municipalities:

City of Greater Dandenong
City of Brimbank
City of Maribyrnong
City of Moonee Valley
City of Latrobe
City of Maroondah
City of Monash
City of Hume
City of Warrnambool
Shire of Central Goldfields
City of Ballarat
City of Whittlesea
City of Darebin
City of Kingston
Shire of Wellington
Shire of Mornington Peninsula
Shire of East Gippsland

This approach should be **in addition to**, rather than replacing any other caps (i.e. municipalities that are already at a cap would still be protected).

The other point that can be made about caps is that they fail to protect areas at a suburb level. Some suburbs have EGM densities of 15/1000 adults.

Finally, there is a very real question to be asked as to whether caps are simply set too high to be of any use from a harm minimisation perspective.