16 January 2017

GAMBLING MACHINE HARM MINIMISATION MEASURES - CONSULTATION PAPER

Attached is the submission from Monash Council in response to the gambling machine harm minimisation measures consultation paper. This paper has been prepared with support of the Victorian Local Government Association & Inner East Primary Care Partnership.

This submission has been prepared to inform the Victorian State Government Department of Justice and Regulation on the position of Monash Council in relation to the future operation of Electronic Gaming Machines in our municipality.

Monash Council commends the State Government for providing the Victorian community and stakeholders with an opportunity to voice their views on current gaming machine harm minimisation measures via the gaming machine harm minimisation measures consultation paper.

Monash Council prides itself on having adopted a Public Health Approach to Gambling Policy Statement 2016-2020, which is supportive of a holistic method to tackle gambling harm in the community. It is Council’s responsibility therefore to highlight that the elements of gaming machine harm minimisation measures referred to in the submission template are very limited. In particular, the measures ignore gaming machine design, planning and legal processes, and community influence over decision-making.

It is also worthy to note that the Victorian Auditor-General’s Office (VAGO) report into regulating gambling and liquor is due to be tabled in February 2017, and this would have provided valuable information to assist both Council and the community in preparing responses.

Yours sincerely

ANDI DIAMOND
Chief Executive Officer
**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 current $200 per EFTPOS transaction limit 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.

We believe that of all the measures proposed as part of this consultation, this is the one that is most strongly backed by evidence. Accordingly, from a public health point of view, it should be the government's highest priority.

**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.

**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 current threshold should be maintained.

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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?

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

EFT should be permissible and 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.

A well implemented EFT proposal would need to keep the intention of the original legislation – that large winnings are not immediately available for further gambling.

If this is implemented this should be the only form of payment method.

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

No. Venues should not be able to exchange personal cheques for cash. Such a measure may increase harm and should therefore be prohibited. It is highly unlikely that recreational gamblers would be interested in cashing checks in this way. The measure would be most likely to be used by people experiencing difficulties with EGMs, and would be likely to exacerbate harm.

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 gaming and/or TITO should not be introduced within the industry as it currently stands. New and emerging uses of technology must not be introduced without irrefutable evidence that they will reduce harm. 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.

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 may intensify this problem and contribute to addiction.

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. This position is strongly supported by findings from Hare, S. (2015)²

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?

Current codes are a weak form of self-regulation, and are not enforced in any meaningful sense.

In a number of public health fields, self-regulation has been ineffective in achieving improved health and well being outcomes. The major public health successes of the past 20 years have been achieved through the introduction of stronger government regulation (tobacco control, road safety). In those areas of public health practice where industries have argued for self-regulation, we have seen little or no improvement in public health outcomes (alcohol harm, obesity prevention and the food and beverage industries).

Some key features of codes of conduct have been found to be ineffective. For example, there is no evidence that responsible gambling signage in venues is effective.\(^3\)

The Victorian Responsible Gambling Foundation should be charged with writing a mandatory code of conduct which is informed by evidence. 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.

There should be a significant investment in compliance officers to ensure compliance with the code and harsher penalties for compliance breaches. Our support services hear repeated anecdotal stories of gambling venues paying lip service to codes of conduct and gaming venue staff being told by managers not to intervene in situations where patrons are clearly displaying signs of gambling addiction.

The Auditor General's report of 2010 noted that there was inadequate auditing of codes. The report further noted that the focus of auditing should be on confirming the actions taken by venue operators, not whether operators have made written commitments to take actions.\(^4\)

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\(^3\) Livingstone, C, Rintoul, A & Francis, L (2014). 'What is the evidence for harm minimisation measures in gambling venues?' Evidence Base. no. 2.

### 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 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. At the current time, some venues facilitate, encourage and/or ignore gambling practices and behaviours that generate harm. Criminalising irresponsible provision of gambling may therefore be warranted. Although this duty of care shouldn’t absolve the government from its responsibility in licensing and regulating an essentially dangerous product.

Consideration should be given to the establishment of a Gambling and Liquor Ombudsman. This officer would be an avenue for complaints about the operation of gambling venues and services. This would make it easier for patrons to report instances where venues promote or allow gambling practices which generate harm.

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

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

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

A self-exclusion system should be simple and easy to use. It should 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 the Victorian Responsible Gambling Foundation.

Gamblers should not have to go near, or liaise with gambling venues or the gambling industry in order to self-exclude.

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

An annual review of gambling venues is still appropriate to measure compliance, but only when supported by an impartial organisation that sits outside of the Victorian Commission for Gambling and Liquor Regulation.
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<th>Q.13. Should there be a separate offence for venue operators who knowingly allow self-excluded persons to enter or remain in the venue?</th>
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<td>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 the venue/operator.</td>
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<th>Q.14. Should a new requirement to undertake advanced responsible service of gaming training be introduced?</th>
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<td>The VRGF has worked on an extensive training program for gambling venue staff, implementation of which is to start from January 2017. It is our understanding 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 appears unclear why the Office of Gaming and Liquor Regulation would be considering further development of training at this time when the new model is yet to be implemented and is yet to be evaluated.</td>
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<th>Q.15. If so, who should be required to complete the advanced training and what content should the training include?</th>
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<td>If there is more advanced training this should be compulsory for all staff who work in the gaming room of a gambling venue. In relation to this, there are reservations about the extent to which staff within many venues are enabled or encouraged to put into place the training they already receive. This would need to improve possibly before introducing more advanced training.</td>
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<th>Q.16. Who should be responsible for the development and provision of the advanced training?</th>
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<td>Any further training should be developed and provided by the VRGF.</td>
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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?

The current system is not adequately protecting the areas that most require protection. Despite having regional caps in place, Monash Council has regularly responded to applications for either more EGMs or the movement of EGM licenses amongst gambling venues. Current losses in Monash are not sustainable and are creating high levels of harm in the community.

The Productivity Commission, in its 1999 inquiry into Australia’s Gambling Industries, found that “… there is sufficient evidence from many different sources to suggest a significant connection between greater accessibility—particularly to gaming machines—and the greater prevalence of problem gambling.”

More recently, Young et al (2012) have shown that there is an association between greater accessibility of electronic gaming machines (EGMs) and problem gambling, with EGMs being the form of gambling most often used by problem gamblers. Two commonly used measures of access to EGMs are density and proximity (e.g. distance to an EGM). 5

It is more than ten years since the Regional Electronic Gaming Machine Caps Review (2005). At that time, the Panel found that capping the number of gaming machines in vulnerable communities should be “an important component of the Government’s ongoing harm minimisation strategy.” Despite this, action in this area has been weak.

Findings from the aforementioned Regional Electronic Gaming Cap Review recommended a universal cap to be set at 8.0 EGMs per thousand adults. The State Government did not follow this recommendation and set different densities for the different capped regions via the Order under Section 3.24(1) of the Gambling Regulation Act 2003 (Victorian Government Gazette No S 361, 20 October 2009).

Given the weight of this evidence, Monash Council would contend that a system of municipal levels should be strengthened.

There is an acknowledgement within community and government that more disadvantaged socio economic areas are seeing a concentration of EGMs.

A statistical analysis of gaming machine densities in local government areas and the corresponding level of disadvantage shows that there is a significant relationship between the geographic concentration of gaming machines and an area’s level of socio-economic disadvantage. Disadvantaged local government areas have a greater likelihood of having a higher than average number of gaming machines per thousand adults when compared with more advantaged local government areas. 6

A review of the limits system should be guided by the following principles:

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5 Young, M., Markham, F., & Dorna, B. (2011) Too close to home? The relationships between residential distance to venue and gambling outcomes International Gambling Studies Volume 12, 2012 - Issue 2 pp: 257-273

- No further machines should be able to be placed in vulnerable communities, including at a suburb or municipal level.
- Vulnerable communities should be defined as those where current EGM losses already exceed the average per capita losses in Victoria by 20% or more &/or SEIFA indicates high levels of disadvantage (980 or below)
- The maximum limit for municipalities should be 8 EGMs per 1,000 adults (as per the 2005 recommendation)
- No suburb within a municipality should be able to exceed the established density by more than 25% (maximum suburb cap of 10 EGMs / 1,000 adults)