



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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STANDING COMMITTEE ON JUSTICE AND COMMUNITY SAFETY

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# Submission Cover Sheet

## Inquiry into Cashless Gaming

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**ALLIANCE FOR  
GAMBLING REFORM**

**Legislative Assembly for the Australian Capital Territory  
Standing Committee on Justice and Community Safety  
Inquiry into Cashless Gambling**

ALLIANCE FOR GAMBLING REFORM

August 2023

## Introduction

The Alliance for Gambling Reform (The Alliance) advocates for a mandatory, cashless registered gambling card with mandatory pre-commitment which is binding and has reasonable default limits. Cashless gambling without robust harm minimisation features have a potential to cause greater harm due to the frictionless nature of being cash-free.

The evidence is clear: approaches relying on voluntary and/ or anonymous gambling cards are self-defeating. They simply do not achieve the aims of minimising and preventing gambling harm and/or addressing criminal activity.

The shift to cashless gambling appears inevitable, given the rapidly increasing move across the Australian economy from cash to digital transactions. It is vital that governments actively manage this shift in such a way that harms from gambling are reduced, rather than increased.

In this submission, the Alliance will respond to the terms of reference of this inquiry and highlight evidence which stresses the importance of appropriate legislative reforms to ensure mandatory pre-commitment on all electronic gaming machines (EGMs) in the ACT and around the country. Further details can be found in the Alliance's position paper on cashless gambling<sup>1</sup>.

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<sup>1</sup> A mandatory registered cashless gambling card system to address gambling harm and criminal gaming activity, The Alliance for Gambling Reform, January 2023, [https://www.agr.org.au/\\_files/ugd/f3b93a\\_bfcb93c5014a4d849de69db27979fb40.pdf](https://www.agr.org.au/_files/ugd/f3b93a_bfcb93c5014a4d849de69db27979fb40.pdf)

## Recommendations

1. The ACT should introduce a mandatory, registered cashless gambling card for use with EGMs in all venues.
2. The card **must** have mandatory pre-commitment functionality (set maximum loss and time limits). Once the set limit is reached, the card holder cannot continue to use any EGMs in the ACT.
3. The card system must include default maximum loss limits for all users (concurrent daily, monthly and annual limits should be trialled).
4. Any individual may only hold one card, and the card holder's identification must be verified at the point of registration.
5. Card functionality should also link to a self and third party exclusion registers, enabling prevention of gambling by excluded patrons.
6. The card holder may only load funds onto the card using cash or an EFTPOS card, not a credit card, and any automated top-ups must be prohibited.
7. The card must not be linked to any loyalty scheme or other incentive scheme.
8. De-identified data from the card system should be available to the regulator and researchers to support monitoring, reviewing and ongoing policy and program development.

# Responding to the Terms of Reference

## 1. What the implementation of card-based cashless gaming technology in the ACT would look like

EGMs currently have functionality for loyalty scheme cards and many are fitted with Ticket In Ticket Out systems (another form of cashless gambling). With carded systems being trialled in NSW and implemented in Victoria's Crown Casino in December 2023, it is clear moving to such a system is achievable.

As stated in our introduction and recommendations, cashless gambling without harm minimisation measures is likely to facilitate less controlled gambling behaviour and may lead to an increase in gambling harm<sup>2</sup>. Therefore, it is necessary for a carded system to have mandatory pre-commitment with binding and reasonable default limits. Tasmania is set to become the first jurisdiction with all EGMs having a cashless gambling system with mandatory pre-commitment and default limits of \$5,000 a year, \$500 a month and \$100 a day by November 2024. These default limits are strongly supported by the Alliance and can be increased with proof of income if required. Without default limits it is possible people may set loss limits at very high amounts. For example, in Victoria, the voluntary pre-commitment system YourPlay evaluation found daily spending limits of more than \$1 million are common<sup>3</sup>.

## 2. Experiences in other jurisdictions of cashless gaming trials, with particular consideration to issues around implementation

In Victoria, Crown Casino will be launching a mandatory pre-commitment card in December 2023. Following the Royal Commission into the Casino Operator Licence it was found that a full, mandatory, pre-commitment system on EGMs at the Melbourne Casino would significantly reduce the incidence of problem gambling and despite the practical difficulties they could be overcome and such a system should be introduced<sup>4</sup>. In a little over two years of that report being complete the casino will have introduced this system on all of its EGMs. This is evidence that despite any attempts to delay such a

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<sup>2</sup> Hare, S 2021, *What is the impact of cashless gaming on gambling behaviour and harm?*, Victorian Responsible Gambling Foundation, Melbourne.

<sup>3</sup> The South Australian Centre for Economic Studies, *Evaluation of YourPlay Final Report*, March 2019, [https://files.justice.vic.gov.au/2021-06/Evaluation%20of%20YourPlay%20Final%20Report\\_0.pdf](https://files.justice.vic.gov.au/2021-06/Evaluation%20of%20YourPlay%20Final%20Report_0.pdf)

<sup>4</sup> Royal Commission into the Casino Operator and Licence The Report, October 2021, <https://content.royalcommission.vic.gov.au/sites/default/files/2021-10/The%20Report%20-%20RCCOL%20-%202015%20October%202021.pdf>

scheme by the gambling industry, it is possible to implement such a system. The casino's system will utilise its current YourPlay system which is attached to the loyalty scheme card reader. Card readers for loyalty cards are available on all EGMs. A similar or the same system (dependent on consultation) will also be implemented in Victoria on all EGMs following an announcement by Premier Andrews.

Another trial that must be used as an example of what not to do is the trial currently happening in Club York, New South Wales. This trial is for technology which allows people to transfer money directly from their phones using an app onto an EGM using a bluetooth connection. There is no mandatory pre-commitment and it is very frictionless. The only friction built into the trial is a 5 minute waiting period from transferring money to being able to use it on the EGM (to mimic going to an ATM). A 5 minute friction window as the only very minor harm minimisation strategy is concerning and must not be replicated by the ACT.

### **3. The nature and extent of money laundering that may be occurring in licensed premises in ACT through electronic gaming machines**

Without having access to data, or an investigation into the extent of money laundering in the ACT it is difficult to answer this question with any degree of certainty. However, the NSW Crime Commission found criminals are funnelling billions of dollars of "dirty" money through EGMs in pubs and clubs. It would be naive to consider that similar issues are not happening in adjacent jurisdictions. With there currently being no load-up limit in ACT (although in practice machines have up to 10k load up limits), there is added risk when it comes to an ability to launder money on EGMs.

### **4. The extent to which card-based cashless gaming would impact organised crime in the ACT**

If executed and regulated well, a card-based cashless gambling system that is identity linked and has default limits will deter organised crime impacting clubs with EGMs. It would be very difficult for people to launder large quantities of money if these safeguards are in place which leads to protecting families and communities.

## **5. The potential impacts on reducing gambling harm from electronic gaming machines in the ACT**

As the Victorian Responsible Gambling Foundation has made clear, research shows a 'universal system with binding limits is considered the gold standard for reducing harm<sup>5</sup>.' There are a number of reasons this is the case including minimising the stigma attached to using a form of pre-commitment. If everyone has to do it, then it comes the norm. People will also have more complete records of their spending and self exclusion can be more effectively managed.

The Alliance cannot overstate that a carded, cashless system will create more harm if mandatory pre-commitment with binding and default limits are not included in the proposal.

## **6. Any legislative or regulatory considerations that would be required if card-based cashless gaming were to be implemented in the ACT**

The Alliance strongly urges the ACT government to take swift action on this reform. The evidence is clear and other jurisdictions are taking action on this because of the research available. As we have seen with Victorian Crown Casino, it is very possible to progress these kinds of reforms at a fast pace.

A key consideration for the committee is to ensure de-identified data from the card system be available to relevant jurisdictional authorities to support monitoring, review, and ongoing policy and program development; and bona fide researchers should be able to request de-identified data from the system for research that seeks to support harm minimisation.

Further, as stated in our recommendations, it is crucial the system does not link to loyalty programs and there must not be the ability for credit cards to be used to transfer money to the gambling card.

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<sup>5</sup> Victorian Responsible Gambling Foundation, *The ins and outs of cashless gambling*, February 2023, <https://responsiblegambling.vic.gov.au/about-us/news-and-media/the-ins-and-outs-of-cashless-gambling/>

## **7. Any cross-jurisdictional issues that may arise from the implementation of cashless gaming**

The key cross over issue is how NSW responds to the cashless gambling trials happening in that state. Hopefully the ACT will lead the way in introducing a robust and well executed carded system with mandatory pre-commitment and NSW will follow soon after. There are risks for the jurisdiction who introduces this system last as organised crime and people experiencing high levels of harm will travel to avoid the system.

## **Conclusion**

If implemented in an evidence-based and well-considered manner and with harm minimisation as the overriding goal, a mandatory, registered cashless gambling card system has the potential to reduce gambling-related harm and positively impact the lives of thousands of ACT families both now and into the future.

A mandatory, registered gambling card system offers a robust deterrent to criminal activity in venues, and significant support for industry staff in assisting customers who may be at risk of, or indeed experiencing, gambling harm.

Any cashless gambling card system which is not mandatory and is not linked to user registration would be worse in harm minimisation terms; indeed, the impact could be catastrophic. As the Productivity Commission has identified, cashless gambling can disguise the fact that people are losing 'real money' and may reinforce anonymous, intense and uninterrupted gambling which increases the likelihood of a person being harmed. This "tokenisation" of gambling is a real and serious risk.

Thank you for the opportunity to make a submission into the ACT's inquiry into cashless gambling. The Alliance urges the government to commit to the recommendations of this submission swiftly.





**ALLIANCE FOR  
GAMBLING REFORM**

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