



**ALLIANCE FOR  
GAMBLING REFORM**

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Alliance For Gambling Reform - Position Paper

**A MANDATORY REGISTERED CASHLESS GAMBLING CARD  
SYSTEM TO ADDRESS GAMBLING HARM AND CRIMINAL  
GAMING ACTIVITY**

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# Executive Summary

The Alliance for Gambling Reform calls on all Australian jurisdictions to introduce a requirement for mandatory, registered cashless gambling cards for use with Electronic Gaming Machines (EGMs, otherwise known as poker machines or “pokies”) in all venues that have EGMs, including hotels and clubs as well as casinos.

There is compelling evidence that a mandatory cashless gambling card will help minimise the harm caused by gambling, and will have the additional benefit of addressing criminal activity related to EGMs.

The most critical element of this strategy is that the cashless gambling card must be mandatory, with each card registered to an individual user.

The evidence is clear: approaches relying on voluntary and/or anonymous cashless gambling cards are self-defeating. They simply do not achieve the aims of minimising gambling harm and/or addressing criminal activity. Indeed, voluntary or anonymous cards may even add to harm by enabling gamblers to distance themselves emotionally from the reality that they are losing their money (a known risk with cashless gambling), without the ability to implement counter measures such as pre-committed spending limits.

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.

## Recommendations

1. To achieve harm minimisation and address criminal activity relating to EGMs, all Australian jurisdictions should urgently introduce a requirement for mandatory, registered cashless gambling cards for use with EGMs in all venues.
2. The system must be administered centrally in each jurisdiction, by the appropriate regulatory authority.
3. Any individual may hold only one card, and the card holder’s identification must be verified at the point of registration.
4. The card must have pre-commitment functionality (i.e. set maximum loss limits), and pre-commitment must be mandatory for all users. Once the set limit is reached, the card holder cannot continue to use an EGM.
5. The card system should include default maximum loss limits for all users (concurrent daily, monthly and annual limits should be trialled).
6. Users must be able to voluntarily reduce their pre-commitment levels to less than these default maximum limits, with immediate effect.
7. Careful measures should be trialled for users with demonstrated financial capacity and no history of gambling harm, to enable some increase of pre-commitment beyond the default maximum loss limits.
8. Card functionality should enable the setting of play limits, including requirements for breaks in play, and maximum play periods.
9. Card functionality should also link to self and third-party exclusion registers, enabling prevention of gambling by excluded persons.
10. The card holder may only load funds onto the card using cash or an EFTPOS card, not a credit card, and automated top-ups must be prohibited.
11. The cashless gambling card must not be linked to any loyalty scheme or other incentive scheme.
12. The card should generate data accessible to the card holder, including time spent using EGMs, and money lost or won.
13. De-identified data from the card system should 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.
14. Jurisdictions should collaborate to achieve consistency and best practice with the design and implementation of the system, noting that implementation issues may include timeframes, costs, and training requirements for venue staff.

## Background

The Alliance for Gambling Reform (“the Alliance”) supports public policy and regulatory regimes that prevent and minimise gambling harm. We believe that this is best achieved through a public health approach which places responsibility for harm caused by dangerous products onto the manufacturers and distributors of those products.

For this reason we prioritise policies and actively advocate for change that prevents harm occurring. Our positions are evidence-based, and are developed in consultation with people who have been harmed by gambling, based on the principle that those closest to the harm are closest to the solutions.

This paper explores the harm minimisation features that are non-negotiable when it comes to a cashless system for Australia’s poker machines.

### Electronic Gaming Machines and gambling harm<sup>1</sup>

Australia has 76% of the world’s non-casino poker machines (machines in pubs and clubs). Half of these are in NSW.

Australians lose over \$25 billion each year on a range of gambling products, and at least half of these losses are through poker machines. In NSW, \$23 million is lost every day through pokies in pubs and clubs; in Victoria, the figure is \$8.4 million per day, and in Queensland, \$9 million.

It has been estimated that EGMs may account for as much as 62% of all gambling revenue, or more than \$14 billion in gambler losses each year.<sup>2</sup>

EGMs have evolved rapidly over recent years, and are designed, through sophisticated psychological techniques, to maximise both the amount of time users spend on the machine, and the revenue gained from the player through losses. Today’s digital EGMs far exceed the revenue performance of the older, mechanical poker machines, and they also have far greater addictive potential.<sup>3</sup>

This has led to serious harm to some users of EGMs, with gambling disorder now recognised as a serious addiction and mental health condition which has major impacts on the person gambling, and those around them. The harms range from mild psychological distress, through to financial disaster, bankruptcy and loss of assets, relationship and family breakdown, crime, drug and alcohol abuse, and self-harm. It is estimated that around 1.1 million Australians experience, or are at significant risk of experiencing, gambling-related problems; and for each person directly harmed, another 5 to 10 people around them are affected. The scale of the problem is therefore enormous.

Of particular concern is the fact that poker machines are disproportionately located in lower-income suburbs, whose residents experience social stress and disadvantage, and have less capacity to cope with poker machine losses. Community members and families from such areas are attracted to gambling venues by a range of heavily promoted, loss-leading activities and facilities including free or subsidised meals and drinks<sup>4</sup>. In addition, people who already experience other problems such as mental ill health are at higher risk of becoming addicted to EGM use, further compounding health and social harms.

A carefully designed and implemented mandatory registered cashless gambling card system can have a significant impact in preventing and reducing gambling harm in our communities.

## Relevant inquiries and initiatives

A series of inquiries have consistently recommended the implementation of measures to address gambling harm and criminal activity through EGMs, including through the implementation of cashless gambling cards.

As long ago as 2010, the Productivity Commission, recognising the harms caused by EGMs, recommended the staged adoption of full pre-commitment systems for EGM gambling across Australia<sup>5</sup>.

Recent Royal Commissions into Crown Perth<sup>6</sup> and Crown Melbourne<sup>7</sup> casinos, as well as an external review into Star casinos in Queensland<sup>8</sup> have all recommended that a mandatory full pre-commitment system (mandatory registration and mandatory limit setting) for EGMs be introduced to deal with gambling harm in casinos.

The Tasmanian Liquor and Gaming Commission reported to the Tasmanian Premier in June 2022 on its investigation into the use of both facial recognition technology and cashless gambling cards as tools for harm minimisation. The Commission recommended the introduction of mandatory, registered cashless gambling cards to minimise harm and reduce gambling harm, with features including mandatory pre-commitment within pre-set default limits.<sup>9</sup> The Tasmanian Government has accepted the Commission's recommendations and is working towards implementing the cashless gambling card system by December 2024.<sup>10</sup>

The NSW Crime Commission has recently examined money laundering via EGMs in hotels and clubs in that State. The Commission found that many millions of dollars of proceeds of crime are being funnelled through EGMs in these venues, noting compelling evidence that drug dealers are gambling on a large scale through EGMs with the money obtained through their offending. The Commission recommended the introduction of a mandatory cashless gambling card and enhanced data collection methods to minimise criminal activity through EGMs.<sup>11</sup>

Norway has the most well-developed cashless gambling card scheme internationally, with a system based on harm minimisation techniques having been in place since 2009. The Norwegian situation is unique, as the gambling industry is wholly government-owned, and it is the only jurisdiction to have introduced a full, mandatory limit-setting system, linked to pre-paid smart cards. The scheme has seen a significant decrease in the number of calls to their gambler's helpline, as well as a large decrease of EGM gambling losses and participation rates.<sup>12</sup> The Alliance sees the Norwegian system as a positive model from which Australia could take learnings.

## Understanding the impact of the proposed cashless gambling card system from those with lived experience of gambling harm

*'If this card was in place when I started using poker machines, I would not have ended up in the hell hole of gambling addiction. I NEVER planned to spend/lose that much money or stay for all that time.'*

- **Anna**

*'A cashless gambling card will go a long way in reducing the risk of people attempting suicide to escape the pain and devastation caused by gambling, especially through poker machines. My son would not have attempted to end his life if there was a cashless gambling card with limits that would restrict the amount he could gamble.'*

- **MaryAnn**

*'The safeguards that are built into the scheme are essential to prevent gambling harm at the source and the devastating impact it has on our communities.'*

- **Kate**

## Key features of the proposed cashless gambling card system

**Cashless gambling cards must be registered to an individual user, and mandatory for all EGM use.**

The harm minimisation benefits accruing from a mandatory, registered card system include the ability to:

- Set and enforce expenditure limits for individual card-holders, through default limits along with the ability for card-holders to set lower expenditure limits for themselves (pre-commitment). This helps to avoid catastrophic financial losses to individuals.
- Collect and provide data back to card holders on the time they spend on an EGM, and the financial outcomes of their gambling (overall losses or wins). This helps individuals to objectively understand and potentially manage their own gambling behaviour.
- Enforce self or third-party exclusion of people with problematic gambling behaviours.
- Normalise the use of a cashless card with expenditure limits, so that its use is not stigmatised through association with gambling harm.
- Require the adoption and enforcement of the system by all venues.
- Prevent, identify and address criminal behaviour linked to EGMs.

There is significant evidence that unless cashless gambling cards are mandatory, and registered to an individual user, they are not effective in preventing and minimising harm from gambling, nor in addressing criminal activity relating to EGMs.

Victoria currently utilises a voluntary pre-commitment scheme called YourPlay, which has recently been evaluated. The evaluation found while the system “had been implemented successfully, it had not been a success” due to low take up, with YourPlay cards being used in sessions amounting to 0.01 per cent of poker machine turnover in hotels and clubs; and lack of engagement from venue staff and managers was also cited as a problem. Importantly, a barrier to using a voluntary system is that the use of a pre-commitment card is not normalised and there is a sense of stigma regarding the card.<sup>13</sup>

Similarly, the Tasmanian Gaming and Liquor Commission found that a voluntary, anonymous cashless gambling card system “would provide no harm minimisation benefits and would defeat the object of this exercise”. The Commission cites not only the Victorian experience, but experience from Queensland, New Zealand, Nevada, and Nova Scotia which clearly demonstrates weak and adverse impacts of voluntary and/or anonymous systems, relating to low uptake, lack of perceived user benefit, and lack of active venue promotion.<sup>14</sup>

**The system must be administered centrally in each jurisdiction, by the appropriate regulatory authority.**

It is imperative that the system be administered consistently across each jurisdiction, that harm minimisation objectives are paramount, and that data generated by the system is managed by the appropriate authority and used only for prescribed purposes. All of these aspects require that the appropriate regulatory authority in each jurisdiction, rather than the gambling industry itself, has responsibility for the administration of the system.

**Any individual may hold only one card, and the card holder's identification must be verified at the point of registration.**

The benefits accruing from the system, including the mitigation of both gambling harm and criminal activity, can only be realised if a rigorous system is put in place which requires identity verification and the availability of a single card for each registered EGM user.

**The card must have pre-commitment functionality (ie set maximum loss limits), and pre-commitment must be mandatory for all users. Once the set limit is reached, the card holder cannot continue to use an EGM.**

Mandatory pre-commitment is a critical tool for preventing and addressing the immense harms caused by gambling. The Tasmanian Liquor and Gaming Commission has found that:

*"National and international research demonstrates that mandatory pre-commitment is the most effective tool for supporting players to stay within spending/loss limits – that is, to spend what they intend to spend."*<sup>15</sup>

**The card system should include default maximum loss limits for all users (concurrent daily, monthly and annual limits should be trialled).**

Hotels and clubs lack historical individual loss data, leading the Tasmanian Government to accept its Commission's recommendation that standard concurrent default loss limits should be applied to its cashless gambling card scheme. The default limits proposed by the Commission and accepted by the Tasmanian Government are based on the research literature, survey evidence, and data from Norway's cashless gambling card system, and are set at \$100 per day, \$500 per month, and \$5000 per year.<sup>16</sup>

The Alliance supports the default limits recommended by the Tasmanian Commission and notes additional research from NSW<sup>17</sup> and Victoria<sup>18</sup> that supports the notion that recreational gamblers (those not experiencing harm) will not be impacted by such limits.

**Users must be able to voluntarily reduce their pre-commitment levels to less than these default maximum limits, with immediate effect.**

While it is sensible to set the default expenditure limits at levels which do not impact the majority of recreational gamblers, the corollary is that it is likely that the default levels will not be low enough to protect all EGM users, particularly those with addictive gambling behaviours. For example, a loss of \$500 in a month or \$5,000 in a year by one EGM user may be devastating to a low income household, and this could be compounded if there was more than one EGM user in the household. It is therefore vital that card holders be able to voluntarily reduce their default pre-commitment levels to less than the default maximum limits, and that this reduction must be able to take immediate effect.

Conversely, any application to increase the limit, once reduced, to a higher amount within the maximum expenditure limits, should not take immediate effect. Checks and balances, such as a cooling-off period, should be built into the system.

**Careful measures should be trialled for users with demonstrated financial capacity and no history of gambling harm, to enable some increase of pre-commitment beyond the default maximum loss limits.**

The Tasmanian Liquor and Gaming Commission report recommends that such measures be developed.<sup>19</sup> The Alliance acknowledges that such measures may help to allay any concerns regarding the ability of bona fide recreational gamblers to participate in non-harmful gambling activities, but stresses the need for careful planning, administration, and review of these measures.

**Card functionality should enable the setting of play limits, including requirements for breaks in play, and maximum play periods.**

Play limits for EGMs, including requirements for breaks in play, and maximum play periods, are widely recognised as a contributing measure to ameliorate harm from gambling, and have been recommended by the Royal Commission into the Perth Casino<sup>20</sup>, the Royal Commission into the Melbourne Casino<sup>21</sup>, and the external review of Star Entertainment in Queensland<sup>22</sup>; and have been endorsed by the Tasmanian Liquor and Gaming Commission Inquiry<sup>23</sup>.

**Card functionality should also link to self and third-party exclusions registers, enabling prevention of gambling by excluded persons.**

The cashless gambling card system must be linked to exclusion registers to ensure those who are gambling have not already self-excluded, or been excluded by venues. With a registered cashless card linked to exclusion registers, facial recognition technology will not be necessary, allaying concerns about the privacy and other implications of such technology.

**The card holder may only load funds onto the card using cash or an EFTPOS card, not a credit card, and automated top-ups must be prohibited.**

The use of credit for gambling is widely recognised as dangerous. In April 2020 the UK banned all use of credit for all forms of gambling. The 2010 Productivity Commission report detailed the high correlation of credit card use with those who have severe problems with their gambling, at a time when online gambling was limited. The Australian Banking Association has suggested that legislation could be introduced that prevents registered gambling companies from accepting payment by credit, which would establish a consistent policy approach across all forms of gambling services.<sup>24</sup> It is crucial that the cashless system does not allow the use of credit for gambling.

The Alliance does not support automatic electronic top-up of cards (for instance as is possible in NSW with Opal transport cards). The card holder must be required to actively decide to top up their card each time the card runs out of funds. Further, card top-up should occur away from the EGM, to encourage breaks in play, similar to the way individuals now leave machines to obtain more money from ATMs. Venues must not be permitted to bring top-up devices to people while seated at, or standing near, machines.

**The cashless gambling card must not be linked to any loyalty scheme or other incentive scheme.**

As outlined below, any use of the data generated by the cashless gambling card system must support the harm minimisation aims of the system, which prohibits uses related to monetization of the data, or use of the data to encourage further gambling activity. This clearly rules out any notions of linking data generated by a cashless gambling card scheme, to loyalty or other incentive schemes.

**The card should generate data accessible to the card holder, including time spent using EGMs, and money lost or won.**

Card holders should be regularly and automatically provided with data relating to their own EGM use, to empower them to better understand and manage their own gambling behaviour.

**De-identified data from the card system should 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.**

To ensure trust in the system, user data must be managed by the relevant jurisdictional authority, strongly safeguarded, and used only in accordance with the Australian Privacy Principles. De-identified data should be made available to appropriate authorities to support the administration and ongoing improvement of the system; and bona fide researchers from recognised institutions should be able to request de-identified data, in accordance with the usual ethics requirements, for research which aims to support harm minimisation efforts.

It has been noted that access to data sets for bona fide research could facilitate better understanding of the effects and impacts of EGM design, amongst other things<sup>25</sup>.

Under no circumstances should the hotels, clubs or casinos operating the EGMs be responsible for managing data generated by the cashless gambling system. In addition, there should be no possibility of the data being used to encourage people to engage in further gambling; and monetizing the data in any way must be strongly prohibited.

Except where required by law, data relating to an individual's spending or gambling patterns should not be released to any other person, business or government body. In the event of public health contact tracing, data related to the activity and duration of gambling at a venue may be released to health authorities, but not the amounts gambled, won or lost.

**Jurisdictions should collaborate to achieve consistency and best practice with the design and implementation of the system, noting that implementation issues may include timeframes, costs, and training requirements for venue staff.**

As noted by the Tasmanian Liquor and Gambling Commission, in addition to the design considerations relating to the development of cashless gambling card systems, there is significant work to be done to ensure smooth implementation of such systems. It is recommended that the relevant authorities across jurisdictions collaborate to ensure consistent uptake of evidence-based best practice, and to reduce unnecessary duplication of effort. Such collaboration will not only promote effectiveness and cost-effectiveness, but also has potential to achieve consistency of systems across Australia, which is likely to be desirable from both the provider and user perspectives.

## Conclusion

If implemented in an evidence-based and well-considered manner, 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 millions of Australian families both now and into the future.

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

However, any cashless gambling card system which is not mandatory and is not linked to user registration would be worse than useless 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.<sup>26</sup> This "tokenisation" of gambling is a real and serious risk. The move to cashless gambling can only achieve harm minimisation objectives if it incorporates the safeguards of a mandatory, registered card system, utilising the design principles outlined in this paper.

The Alliance for Gambling Reform urges all Australian State and Territory governments to commit immediately to a mandatory, registered gambling card system for poker machines which incorporates the evidence-based design features outlined in this paper.

Gambling harm has for too long been neglected by governments in Australia. Community sentiment is now very clear that action must be taken to prevent the suffering that gambling-related harm is causing to families and communities across our nation.

The Alliance commends the recommendations of this paper to all State and Territory governments for urgent action.

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