



**ALLIANCE FOR
GAMBLING REFORM**

Victorian landmark reforms to reduce gambling related harm and money laundering consultation

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Introduction:

The Alliance for Gambling Reform is a national peak body which represents a collaboration of organisations with a shared concern about the harmful aspects of gambling and its normalisation in Australian culture. We are a registered health promotion charity. The Alliance supports public policy and regulatory regimes that make Australia a safer, healthier, and more equitable society by reducing the level of gambling harm.

The Alliance has responded to the relevant questions set out in the 'pre-commitment and carded play' consultation paper and provided recommendations in nine key areas. The Alliance welcomes the Victorian Government's commitment to major reforms to poker machines and urges the government to take swift action to implement the changes. We also urge the government to take the strongest approach to the reforms; these are set out in this submission.

The Alliance for Gambling Reform met with council officers from its Leadership Councils to discuss the consultation paper on the landmark reforms and received significant feedback from councils on the issues under consideration. This feedback has been instrumental in developing the positions and recommendations outlined in this submission.

Our Leadership Councils comprise;

Brimbank, Darebin, Glen Eira, Greater Dandenong, Greater Shepparton, Frankston, Hobsons Bay, Hume, Kingston, Knox, Manningham, Maribyrnong, Maroondah, Melbourne, Merri-bek, Mitchell, Monash, Moonee Valley, Mornington Peninsula, Stonnington, Whittlesea, Wyndham and Yarra.

Recommendations:

1. The key objective underpinning all the reforms must be to prevent gambling harm in Victoria.
2. The Alliance recommends the following regarding carded gambling:
 - a. The government utilise YourPlay to implement the carded system using a single physical card with mandatory pre-commitment.
 - b. There should only be one identity linked card for each person over 18 in Victoria. If it is lost or stolen, people will need to have their identity verified again to access a new card.
 - c. The card must not be linked to loyalty schemes.
 - d. There needs to be a positive marketing campaign associated with the changes and promote the benefits of setting pre-commitment limits. Local governments can play a role in getting information out to communities to ensure this.
 - e. Cards could also have features that support early intervention such as referrals, check ins, messaging.
3. The Alliance recommends the following in regards to limit setting:
 - a. Limits set by people must be binding.
 - b. People must be required to set separate time and loss limits.
 - c. The default loss limit must be \$0 and the time limit must be 0 minutes.
 - d. The maximum limit that people can set for loss (before proof of disposable income) should reflect those of the Tasmanian model, that being \$100 a day, \$500 a month and \$5000 a year.
 - e. If someone wishes to increase their set time or loss limit there is a waiting period of a week after the original limit has been set before they can utilise the higher limit. This is because people are usually paid either weekly or fortnightly and not daily and often budgets are made on a weekly or fortnightly basis too. The ability to increase limits should reflect human behaviours and ensure impulsive increases in spend to chase losses is not possible.
 - f. Daily limits should be in place 24 hours from when the first bet is made. For example, if someone reaches their daily limit at 8pm after they started gambling at 7pm, they must not be able to gamble until 7pm the following day.
 - g. The maximum total time limit of EGM use across 24 hours should be no more than 2 hours.
4. Information provided to users:
 - a. It is recommended that monthly activity statements are provided to match the National Consumer Protection Framework Statements.
 - b. Consultation with people who have lived experience of gambling harm will be important in setting out these activity statements to reduce the risk that people may chase losses after seeing the amount they have lost on their monthly statement.

5. That self-exclusion:
 - a. Is a single statewide system.
 - b. Allows for third-party exclusion.
 - c. There is no penalty for those who are found breaching their self-exclusion, instead the venue receives a penalty (similar to recent Crown Casino reforms).
 - d. That facial recognition technology is not used to support self-exclusion or third-party exclusion.
 - e. There is an option for the system to be linked with BetStop, the national wagering self-exclusion system.
 - f. If it is not possible to link with BetStop, the exclusion system could be linked with the identity linked physical card, and the card of an excluded person be inoperative preventing play at any venue whilst they are excluded.

6. That data:
 - a. Be the responsibility of the regulator to store.
 - b. Identified data must only ever be used to engage with someone who is showing patterns of harm and needs to be contacted in order to provide appropriate support.
 - c. De-identified data is provided to government funded researchers to inform policy on trends.
 - d. De-identified postcode data is provided to councils to inform service planning, community development and resilience building.
 - e. It is critical that venues, the gambling industry, or gambling industry funded researchers are not provided data that can lead to financial gain (for example, postcode data of gamblers and trends must not be shared to influence the market).

7. That identity is verified through photo identification when people sign up for the card and then through regular random checks in the gambling room by Responsible Gambling Officers.

8. That language is changed to remove the word 'play' and replace it with 'use'. For example, carded machine use, machine use periods and a rename and rebrand of 'YourPlay.'

9. That there is ongoing monitoring and evaluation of all of the reforms, including ongoing collaboration with persons with lived experience of gambling harm and an annual report into losses, usage trends, access to support services, and number of cards issued and how it compares to previous years.

Questions for consultation

Question one: Are there other principles that should underpin the design of a carded play system for Victoria?

The Alliance stresses that the most important principle to underpin any carded system must be to ensure strong protections are in place to prevent harm. Under no circumstance can a carded system be introduced without evidenced-based measures to reduce harm as there is clear evidence that highlights a system that has less friction (i.e. completely cashless) and uses a tokenisation of money will lead to more gambling harm.

It is important to highlight that a cashless gambling card without harm minimisation measures is likely to facilitate less controlled gambling behaviour and may lead to an increase in gambling harm¹. That is why the Alliance advocates strongly against an app-based solution as this significantly decreases friction given it would be possible for money to be transferred directly from a bank app to a venue app.

In terms of other principles, the Alliance vehemently rejects the consultation paper's suggestion that the system should 'allow integration with loyalty' programs. There are not currently strong enough protections through existing regulations or legislation to ensure loyalty programs are not causing harm to have it integrated with a new mandatory system. For every person signing up to the carded system there will be an increase in the number of people venues will be able to contact with inducements. More inducements equal more harm.

Loyalty program members on average;

- spend 1.37 times more money,
- spend 1.23 times longer gambling,
- visit venues 1.27 times more frequently,
- are 2.68 times more likely to experience 'moderate risk' or 'problem' gambling²

This is of grave concern. Loyalty schemes in venues must only be attached to hospitality offerings, not gambling products and have no attachment to the mandatory carded system, which is being introduced to prevent harm, not facilitate it.

Question five: What are the key issues to consider about the way in which a patron can use their carded play account and access their account information? Please consider potential issues with continuing to allow multiple cards linked to a single YourPlay account.

As a principle, the Alliance recommends that only a single card should be linked to a YourPlay account and person, like a driver's licence. This will be made simpler if the system is not linked to loyalty cards. Each card should be identity linked and venue staff working in the gambling rooms should complete random identity checks to ensure the persons ID matches their card. Guidelines should be established to set number of frequency of identity checks. Identity should be established and checked against photo ID such as a driver's license or passport.

¹ Hare, S 2021, *What is the impact of cashless gaming on gambling behaviour and harm?*, Victorian Responsible Gambling Foundation, Melbourne.

² Van Dyke, N Jenner, D Maddern, C 2014, *The tole of loyalty programs in gambling: final report of findings from audit of electronic gaming machine gambling venues, literature review, online discussion boards and longitudinal telephone survey*, Gambling Research Australia

The card can be linked to an online portal which has information on access to Gamblers Help Services available, their losses and time spent in venues, as well as supplying prompts relating to support services and messaging to promote harm prevention. The activity statements should be sent more regularly to users, monthly instead of yearly, to mirror the National Self Exclusion Framework for online wagering. It is important that losses are presented in a way that does not encourage people to chase money lost.

Question six: What are the key issues to consider for other programs, such as membership or loyalty schemes, that might use the same player card?

As highlighted earlier, membership and loyalty schemes must not be attached to the mandatory carded pre-commitment scheme. Inducements provided by loyalty schemes encourage people to spend more and go against the core principle of such a system which is to assist people in limiting losses and preventing harm. Higher risk gambling is associated with loyalty schemes which are attached to poker machines³.

The legislation that exists for loyalty schemes is inadequate and does not include measures that will prevent harm occurring. The schemes also lack transparency which make it difficult to understand how they function and if they are abiding by laws (i.e. points given through gambling must have the same or less value than points given by food and beverage spend).

Importantly, Tobacco sales are exempt from loyalty schemes that provide benefits to people⁴.

Question seven: What information should patrons receive from a carded play system and how? For example, monthly activity statements, recent transactions available online or at a kiosk?

Currently patrons receive annual activity statements through YourPlay and can also access data for daily, weekly, monthly and annual spends both online and via kiosks in venues. They include both time and money loss, as well as if limits were reached and if so, how much by⁵. The Alliance suggests monthly activity statements in line with the National Consumer Protection Framework for online gambling.

Another important suggestion is to completely remove the word 'play' from the pre-commitment system and change the language to 'use'. The word play has clear connotations of fun and innocence, especially for those from CALD backgrounds. Other considerations need to be made to ensure people do not chase losses after seeing activity statements. Collaboration with people actively using activity statements, or those with lived experience of gambling harm is important to inform the best way to present these statements to mitigate any potential harms.

³ Delfabbro, P, King, D 2020, *The prevalence of loyalty program use and its association with higher risk gambling in Australia*, Journal of Behavioral Addictions, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8969721/>

⁴ <https://www.health.vic.gov.au/tobacco-reform/tobacco-reform-legislation-and-regulations>

⁵ 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

Question eight: What are the key considerations for transitioning YourPlay from a voluntary to mandatory scheme: for patrons, gaming venues and for other industry participants?

Key considerations for patrons include:

- Positive marketing around the change. There has already been negative media led by venues about these changes. It is important users are provided with positive information about the tools that they will be required to use to prevent and reduce harm.
- If default limits aren't set, providing users with an opportunity to understand how best to set their own limits based on evidence. For example, the Canadian Lower Risk Guidelines suggest people do not gamble more than 1% of their household income before tax⁶.
- Additional training for venue staff to be able to communicate the changes and the positive impacts they will have on preventing and reducing harm. Perhaps there could be access to resources with stories of those with lived experience highlighting the positive impact these changes could have had if they were implemented earlier.

Question nine: What pre-commitment functionality and features should be considered under a mandatory scheme? For example:

- a. Should a patron be required to set both time and loss limits?
 - i. Yes, there is evidence to show that both loss and time limits can contribute to reducing gambling harm. The Victorian Population Gambling and Health Study (2018-19) shows the majority of non-problem gamblers spend less than 30 minutes in a session and over 80% spend less than 1 hour. This compares to moderate risk and problem gamblers who are more likely to spend over 1 hour in a session⁷. This supports the requirement of setting time limits. Loss limits are critical, and the Alliance often hears anecdotal evidence from those with lived experience that if there had been the requirement to set limits and stick to them, they wouldn't have fallen into such deep levels of gambling harm.

To what extent should limits be binding? Should a patron be able to choose to play beyond a limit?

- i. Limits should be completely binding. 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'⁸. Once a limit has been met there must not be an ability to gamble beyond that time or loss limit. The 24 hour period of loss setting should begin when the first wager is made - for example, if the bet is made at 6pm and then the limit is met at 8pm, the person should not be able to gamble again until 6pm the following day. We also know that having non-binding limits like the current YourPlay system is not effective, and with the current system often people use very high loss limits (up to \$10 million a day) which are too high to be realistically binding anyway.

⁶ Canadian Centre on Substance Use and Addiction, The Lower-Risk Gambling Guidelines, <https://gamblingguidelines.ca/lower-risk-gambling-guidelines/what-are-the-guidelines/>

⁷Rockloff, M, Browne, M, Hing, N, Thorne, H, Russell, A, Greer, N, Tran, K, Brook, K & Sproston, K 2020, *Victorian population gambling and health study 2018–2019*, Victorian Responsible Gambling Foundation, Melbourne.

⁸ 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/>

What features could be shared between a carded play system and YourPlay? For example, player information statements, account information?

- i. As highlighted earlier, the Alliance urges activity statements to be sent to users monthly in line with the National Consumer Protection Framework. However, we believe much about the current YourPlay system can be improved beyond it becoming mandatory as set out in our recommendations.
- b. Should there be default limits?
 - i. When it comes to the options users are provided with when they are setting limits, the default limit should always be zero.
- c. Should there be maximum limits?
 - i. The maximum limits available should mirror that of the Tasmanian Model - \$100 a week, \$500 a month and \$5000 a year. This can be increased with proof of disposable income. As mentioned above, a good indicator for those wishing to increase their maximum limits can be guided by the Canadian Lower-Risk Gambling Guidelines.
- d. At what points should a person's identity be verified?
 - i. There should be various points at which a person's identity is verified for both gambling harm and money laundering prevention reasons. When someone signs up for their card their identity must be verified using photo identification and the Alliance suggests that it is the role of 'Responsible Gambling Officers' in the gambling room to do random checks to verify someone's identity with their card. These random checks need to be regular and checked by the regulator. For example, it could be mandated that staff need to do random checks each day at different hours each day.

Question eleven: How should identity verification be undertaken and by whom? For example, by venue staff or a third party?

Venue staff should be able to undertake identity verification and as mentioned above in more detail, identity should be checked when initially signing up for the card and via random checks in the gambling room by staff. Identity will need to be verified if cards are lost or stolen. The 'YourPlay' card or mandatory card system should include a photo of the person, as is the case at Crown Casino.

Question twelve: What are the key considerations in determining whether there should be a limit on how much cash can be inserted into, or paid out from gaming machines?

The Productivity Commission Report into Gambling (2010) recommended a load-up limit of \$20. It is the Alliance's understanding that the Victorian Government has committed to the load-up reducing from \$1000 to \$100 on new machines. The Alliance urges the government to go further and ensure all machines have a load up limit of \$100, not just new machines.

Question fourteen and fifteen: How well does the current self-exclusion system work? How can carded play enhance self-exclusion programs? Please include technical limitations where known.

The current self-exclusion system is flawed - it is not state-wide, is based on staff members abilities to recognise faces and there is also anecdotal evidence from people with lived experience that even when they are known in a venue as being self-excluded staff allow them to continue gambling. This happens for a range of reasons (including staff wanting to avoid potential confrontation). We have also been told that self-exclusion agreements can be confusing particularly for people from culturally and linguistically diverse backgrounds. There is a lot of confusion around the penalties that exist for breaching these agreements which deters people from signing up in the first place.

With an identity-linked pre-commitment card linked to a statewide self-exclusion register the self-exclusion register will be dramatically improved. If it is a requirement of staff to do random identity checks this will further strengthen the self-exclusion system. This system should have to have evaluations and reviews to ensure it is achieving this objective and be strengthened if required.

Question sixteen: What should be the minimum requirements for self-exclusion programs?

Self-exclusion must be state-wide so that people cannot just travel to other venues further away. It must rely on better technology than just the ability for staff to recognise people from photos of others which could be outdated but should not be connected to the use of Facial Recognition Technology, rather connected to the card itself which is rendered inoperable for play when any exclusion is in operation. It must also be possible to register online and have the ability for third-party self-exclusion and be linked to support services.

Question nineteen: What are the key considerations in determining whether play periods should be introduced in clubs and hotels?

When the new legislation around reduced opening hours of poker machine rooms is introduced, venues will have the ability to be open 18 hours a day. There needs to be set periods which people can spend at a poker machine and it must be stronger than the 'play periods' already in place at Crown.

The set periods for which people can use poker machines must be based on best -practice evidence and be regularly reviewed to ensure effectiveness for preventing harm. As highlighted above, the Victorian Population Gambling and Health Study (2018-19) shows most non-problem gamblers spend less than 30 minutes in a session and over 80% spend less than 1 hour. This compares to moderate risk and problem gamblers who are more likely to spend over 1 hour in a session⁹. This evidence must underpin what kind of operating periods are set for poker machines.

⁹Rockloff, M, Browne, M, Hing, N, Thorne, H, Russell, A, Greer, N, Tran, K, Brook, K & Sproston, K 2020, *Victorian population gambling and health study 2018–2019*, Victorian Responsible Gambling Foundation, Melbourne.

Question twenty and twenty-one: What are the issues to consider when setting requirements for the collection, storage, access and use of information and data collected via a carded play system? What are the primary considerations to help assure patrons of the security and protection of their personal information?

All storage of user's data must be independent of the clubs and hotels. The Alliance recommends the data be stored with the regulator and when there are patterns of an individual requiring intervention there are automatic prompts and messages that refer people to help services. If required, a temporary exclusion could be implemented until that person seeks assistance in case of clear signs of harmful trends.

De-identified data should be available for non-industry funded research to inform policy and changes to the system to ensure it is achieving its core objective of reducing gambling harm.

With the number of data breaches happening around the world there will always be a level of uncertainty when it comes to patrons' security and protection which is why the Alliance suggests it is stored with the regulator rather than an independent source to ensure the best protections and responses are provided if required.

Question twenty-three: Who should have access to data collected about a patron? Please consider different types of data, including transaction data and identification data.

De-identified data should be provided to non-industry researchers to determine trends and inform policy decisions. All data that is collected by the system should be provided in a de-identified form to researchers.

During our consultations with the Alliance's leadership councils, it was acknowledged that councils would benefit from postcode data to inform program development, planning and implementation. Postcode data could include how many people, genders (including non-binary) and what losses are being experienced from people that live at that postcode, how far they travel to gamble and what the clientele are of venues in their catchment. This data too would need to be de-identified.

Question twenty-four: What potential challenges or risks may arise in updating the load up limit for gaming machines? How can these be overcome or mitigated?

The positives associated with lowering load up limits are significant and two-pronged. Firstly, it creates friction for people gambling and breaks the continuous gambling cycle. And secondly, it prevents money laundering as it is much more difficult to feed in significant amounts of money into the poker machine. An update of load up limits should not be too difficult for machines as earlier this year poker machines installed before 2008 were updated to ensure their load up limit was brought down to \$1000 rather than the previous maximum of \$9,949¹⁰. This provides evidence that shifting all poker machines to the new \$100 load up limit should be possible.

¹⁰ VGCCC, Replace or update your pre-2008 gaming machines by 1 July 2023, <https://www.vgccc.vic.gov.au/news/replace-or-update-your-pre-2008-gaming-machines-1-july-2023>

Question twenty-five: What potential challenges or problems may arise in introducing a new spin rate for new gaming machines? How can these be overcome or mitigated?

3 second spin rates are already implemented on a number of machines in Victoria¹¹. The change is minimal when it comes to reducing gambling harm. It is potentially harmful as it provides users with a false sense of security that they are able to lose significantly less when this is not the case.

Conclusion

The Alliance warmly welcomes the reforms announced by the Victorian Government and the opportunity to provide a submission. There is an opportunity for Victoria to lead the nation with reforms that could significantly reduce gambling harm.

The Alliance strongly believes that to achieve the best outcomes, best-practice evidence and research should underpin the changes as well as include consultation and collaboration with gambling harm experts and those with lived experience. Bold action should be taken if Victoria wishes to be known as the most progressive state when it comes to gambling harm prevention.

We strongly urge the Victorian Government to commit to the Alliance's recommendations, and work with the Alliance for Gambling Reform through implementation, and on regular reviews of the reforms.

¹¹ Endeavour Group, ASX announcement, <https://announcements.asx.com.au/asxpdf/20230720/pdf/05rst4lynq9l05.pdf>



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