



9 January 2017

The Hon. Marlene Kairouz MP  
Justice and Regulation  
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**Ask for:** Kathleen McClusky  
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**Our Ref:** A2303889

Dear Ms Kairouz

### **Submission to Gaming Machine Harm Minimisation Measures Consultation**

Thank you for the opportunity to provide comment on the Victorian Government's Gaming Machine Harm Minimisation Measures Consultation Paper. Council is very concerned about the impact of poker machines on our residents and the Victorian community. In response, Council adopted its Problem Gambling on Electronic Gaming Machines (EGMs) Policy Statement.

While acknowledging the need to address the risks and harm of poker machines, it is disappointing that the paper was released so close to the Christmas break with very tight timelines for providing a response. Given the seriousness of this issue, the timeline has placed undue pressure on those wanting to provide a comprehensive submission.

Furthermore, there are several gambling related reviews currently underway in Victoria and it is unfortunate that this consultation is being conducted prior to their completion and the release of their findings. It is considered that the outcome of these reviews would have informed and strengthened the feedback to this consultation. The reviews include:

- The Victorian Auditor General's Office (VAGO) report on the operation of the Victorian Commission for Gambling and Liquor Regulation (VCGLR)
- The Victorian Government's report on the operation of the Your Play voluntary pre-commitment system (evaluation yet to be completed)
- The Victorian Government's entitlements review to which many organisations responded in February this year

The attached submission outlines some of the issues affecting Hobsons Bay, together with some suggestions for the government. We look forward to the outcomes of the review.

If you would like to discuss this submission further, please contact Kathleen McClusky,  
Manager Strategy and Advocacy on 9932 1004 or email  
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Yours sincerely

A handwritten signature in black ink, appearing to read "Chris Eddy", written in a cursive style with a large initial "C".

Chris Eddy  
**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 removal of ATMs from venues has been a positive move in limiting easy access to cash, however EFTPOS has essentially become the replacement. The research, as noted in the consultation paper, indicates that EFTPOS is one of the most commonly used methods to withdraw cash by problem and moderate risk gamblers to withdraw cash.

One of the key problems with EFTPOS is that the number and amount of cash withdrawals can vary depending on the service provider conditions. Essentially though, there is very little difference between EFTPOS and ATM withdrawals except that EFTPOS transactions require a face to face interaction, which in some instances can be a disincentive for the person withdrawing cash. However, there still may be a degree of anonymity in busy venues, with a large number of staff.

A potential regulatory measure may be to limit the maximum daily amount that can be withdrawn at a venue to \$200, as occurs in Tasmania, as this would positively impact those most at risk. It would also remove the onus on venue staff to monitor withdrawals (i.e. a potential indicator of someone with risky gambling behaviour). Council is aware, anecdotally, that venue staff are not always comfortable intervening if they become aware or are concerned about potential gambling problems among patrons.

While slightly outside the focus of this question, there is concern that in some instances the removal of ATMs in venues has not achieved the desired outcome of preventing easy access to cash. As shown in the image below, patrons at this pokies venue still have ready access to a conveniently relocated, standalone ATM. A review of the minimum distance between an ATM and a venue should be considered.





**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?

Any controls which limit access to cash at a venue is supported. In this instance, it is achieved by the issuing of a cheque which imposes a 'cooling off' period while the cheque is cleared.

However, as identified in the consultation paper, some gamblers have developed methods for circumventing the current \$1,000 threshold to avoid a cheque payout. A reduction in the current threshold to bring it into line with the maximum daily EFTPOS withdrawal of \$200 per day, as suggested in the response to the previous question is strongly encouraged.

Maintaining the threshold also maintains the intent of current legislation which ensures those at risk due to their gambling cannot immediately access their winnings.

**Q.3.** Should payment by EFT be permitted in addition to, or as a replacement for, payment by cheque?

In principal, there is no opposition to replacing payment by cheque with payment via EFT. However, it is important to ensure a 'cooling off' period, in line with cheque clearance timelines, is maintained. A potential issue that should be monitored is that these clearance times are determined by the banking sector and could be reduced.

Given that the other states and territories require payment by cheque, apart from the ACT which allows both methods, there may also be merit in investigating why they have not yet included payment by EFT as an option.

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

No response

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

There is no obvious justification for operators being able to exchange cheques for cash, except to make it easier for patrons to access cash. The Act should be amended to prohibit this from occurring.

As highlighted by research that is cited in the consultation paper, problem and moderate risk gamblers are the ones most likely to cash personal cheques, therefore any measures to prevent this from occurring is supported.

Following the ban on ATMs in venues, there was a noticeable drop in the amount of money gambled on poker machines, suggesting a clear link that limiting easy access to cash at a venue is one method for minimising gambling harm. Council's policy position is that the focus should be on preventing access to cash to gamble, not on how access could be increased.



**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?

There are clear benefits for venue operators to introduce TITO (ticket-in, ticket-out) which allows patrons to gamble using a card, including cost effectiveness by minimising the handling of large amounts of cash and the associated costs.

The Productivity Commission review (2010), cited in the consultation paper, suggests there may also be benefits from TITO for gamblers as they can withdraw unspent cash from the card if they want to stop gambling. However, given one of the widely accepted definitions of problem gambling is not knowing when to stop gambling, it is highly unlikely that those who are affected will choose to stop gambling until they run out of credit on their card. In addition, research indicates that those with a gambling problem are more likely to lose track of their losses and wins and therefore a cashless option such as TITO is likely to intensify this issue.<sup>1</sup>

The review noted that, “cashless gaming may disguise the fact that people are spending ‘real’ money. Cashless systems may reinforce anonymous, intense and uninterrupted play”.

Council strongly endorses this view and supports greater transparency and strong regulation to prevent gamblers from being deceived into gambling more than they or their families can afford. It is therefore essential that any consideration of legalising TITO should be accompanied by the introduction of mandatory pre-commitment.

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<sup>1</sup> Hare, S. (2015) Study of Gambling and Health in Victoria, Victoria, Australia: Victorian Responsible Gambling Foundation and Victorian Department of Justice and Regulation



**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?

While all venue operators are legally required to comply with the Responsible Gambling Code of Conduct, examination of the community benefits statements of clubs and hotels in Hobsons Bay makes it apparent they do no more than what is required.

Of the 10 venues in the municipality, none provide funding for the provision of responsible gambling measures and activities (Class C (a) on the benefit statement). This is a cost that could be claimed in full so venues are either not aware of what activities they could provide or they are not interested in doing more than meeting the minimum requirements of the code.

A review of the code by the Victorian Responsible Gambling Foundation (VRGF) with the aim of ensuring venue operators are actively engaged, particularly in relation to staff training, and in the prevention of gambling harm (e.g. education, patron interactions) should be undertaken. To do this it will require an appropriate body such as the VRGF to develop a new code of conduct aimed at best practice with a methodology for monitoring and evaluating its effectiveness in terms of harm minimisation.

In relation to loyalty schemes, Council lacks a detailed understanding of the extent to which these schemes are being used but is opposed to any schemes or programs that may entice someone to gamble, such as discounted meals and drinks, and bus pick ups and drop offs to venues.

**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?**

The need to consider a separate offence implies a lack of compliance with this requirement. As the provider of poker machines, which potentially pose a high risk to some members of the community, it is critical that operators must respond to suspected problem gambling issues in their venue.

Consideration should be given to linking the level of penalty with the venue losses, with the level to increase with any further breaches of the requirement. Oversight of this requirement and related issues should be addressed through the establishment of an Ombudsman whose role would be to oversee venue operations and hear complaints.



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

Before asking who should administer self-exclusion programs, it may be better to first ask 'Are they Working?' Little evidence is available on the number of people who are choosing to self-exclude.

Research on their effectiveness, undertaken by Charles Livingston et al (2014)<sup>2</sup>, found there was "a modest level of evidence supporting some [harm minimisation] measures, notably self-exclusion". Their research went on to state "after operating in some jurisdictions for more than 25 years, there is modest evidence that self exclusion programs are an effective intervention for changing individual (rather than population-wide) gambler behaviour and reducing gambling related harm".

While it is acknowledged that self-exclusion is part of a suite of harm minimisation measures, we encourage a thorough review of the effectiveness of these programs first, including consideration of the appropriate administrative method.

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

Refer to previous response in question nine.

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

As stated in the response to question nine, further research is required to fully understand how the program is operating before considering how it can be improved. Among the questions to consider are:

- who is choosing to self-exclude and why?
- to what extent are self-excluders breaching their deed and why?
- how effectively are programs currently being monitored by the venue operators?

In addition, several suggestions in the consultation may be worth considering after an independent review is undertaken, including exclusion by a family member (more information would be required on how this operates) and a regional exclusion rather than a single venue exclusion.

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

No response

<sup>2</sup> C, Livingston, A Rintoul, L Francis (2014) What is the evidence for harm minimisation measures in gambling venues?



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

If an operator knowingly allows a self-excluded person into a venue, then a separate offence should apply, as per the responsible service of alcohol. The level of penalty should escalate if there are any subsequent offences.

**Q.14.** Should a new requirement to undertake advanced responsible service of gaming training be introduced?

Council has been advised that the VRGF has developed a training program for gambling venue staff with implementation to start in early 2017. It is not clear why the Office of Gaming and Liquor Regulation would be further considering this issue given that the new model is about to be implemented and is yet to be evaluated. Any staff involved in the gaming room, including the venue operator, should be required to undertake advanced training.

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

Refer to question nine.

The venue floor manager should be required to undertake advanced training that identifies problem gambling and instructs that person in 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 VRGF 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?

Caps should be maintained as they are the only method for controlling the number of poker machines in an area. This is particularly relevant in places where there are communities which research has identified as being vulnerable to risky gambling.

Hobsons Bay has a cap that covers the entire municipality, although to a degree this blanket method tends to mask the differences in disadvantage / vulnerability between the suburbs. One example of how this is evidenced is in the recent announcement that the Williamstown RSL, which has 42 EGMs is due to close in early 2017. While the existing cap limits the number of EGMs, it plays no role in controlling the movement of EGMs within the municipality which could see more EGMs moving to the more vulnerable areas within Hobsons Bay.





Council would encourage research to a) undertake a rigorous analysis to determine the maximum permissible number of entitlements in Victoria and b) the effectiveness of regional and municipal caps in Victoria. This information is required in order to build an evidence base to be used to develop an effective harm minimisation strategy.

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

Consideration should be given to extending the caps, especially in circumstances where capped areas are adjacent to uncapped ones and in growth areas where councils may be dealing with a large number of applications for new venues.

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

In the case of Hobsons Bay, several areas at the western end of the municipality are among the most vulnerable in Hobsons Bay. These areas are adjacent to Wyndham which is an uncapped municipality. Wyndham is experiencing major population growth and this has resulted in three venues (with 190 poker machines) opening in close proximity to Hobsons Bay.

The outcomes of hearings at the VCGLR to issue entitlements indicates a very low success rate when councils and the community oppose these applications. In addition, in the few instances where the VCGLR has rejected an application, the decision has usually been successfully appealed at VCAT.

Therefore, extending the cap would provide greater certainty for councils and their residents about the installation of poker machines in proximity to their municipal boundary.

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

Council would encourage the maintenance of the current caps and limit levels.

In the case of Hobsons Bay, the population growth is relatively low and does not warrant any increase to the cap that applies.