



31 August 2017

Mr Steve Thurston
Victorian Commission for Gambling and Liquor Regulation
Licence Management
GPO Box 1988
Melbourne VIC 3001
email: Licence.Management@vcglr.vic.gov.au

Ask for: Kathleen McClusky
Phone: 9932 1004
Our Ref: A2695172

Dear Mr Thurston,

Request for comment on the future operation of 'Ticket-In Ticket-Out' and Card-Based Cashless gaming in Victorian clubs and hotels

Hobsons Bay City Council is committed to managing and minimising the negative impacts of Electronic Gaming Machine (EGMs) gambling on the community and welcomes the opportunity to be able to contribute to the draft Ticket-In Ticket-Out (TITO) and Card-Based Cashless (CBC) Technical Standards and Operational Requirements.

In reviewing the documentation Council has strong concerns with the proposal to introduce TITO and CBC gaming at venues offering EGMs. As per the attached submission, Council believes that these measures will increase the risk of gambling harm in our community.

If you would like to discuss this submission further, please contact Kathleen McClusky, Acting Director Strategic Development on 9932 1004 or email kmclusky@hobsonsbay.vic.gov.au.

Yours sincerely,

Chris Eddy
Chief Executive Officer



Attachment 1: Hobsons Bay City Council Submission: 'Ticket-In Ticket-Out' and Card-Based Cashless gaming in Victorian clubs and hotels

In 2016-17, \$46.9 million was lost to EGMs in Hobsons Bay, equivalent to \$128,500 every day or \$640 for every adult resident. Losses from EGMs inflict considerable harm on communities, with users reporting reduced spending money and savings, increased consumption of alcohol, and feelings of regret, distress, anger and shame.¹ Notably, just 15 per cent of the harm from gambling in Victoria is comprised of problem gambling, with the majority flowing from low-risk (50%) and moderate-risk gambling (35%).²

There is a growing body of evidence that EGMs employ psychological principles to maximise bet sizes and machine usage, while increasing their addictive potential.³ Environmental factors (such as lack of natural light, on-site EFTPOS facilities and gaming room layout) also create an immersive experience where users can lose track of time and, more importantly, losses. It is, therefore, very concerning that this proposal will remove the cash element from EGM use. In practice, it will further reduce users' awareness of their losses and ultimately constrain their capacity for 'responsible gambling'.

Council notes a lack of policy justification or evidence base informing this proposal. In addition it contradicts three of the main objectives of the *Gambling Regulation Act 2003*, which are to 'foster responsible gambling', 'minimise harm caused by problem gambling' and 'accommodate those who gamble without harming themselves or others'. Additionally, it moves away from previous measures that have been designed to disrupt users' gambling experiences such as the removal of on-site ATMs and smoking bans. The proposal also lacks evidence in relation to community or safety benefits, social and economic impacts, harm minimisation impacts, and evaluation of similar initiatives in other jurisdictions.

Council has further concerns with the consultation process to inform this proposal. The timeframe of three weeks is manifestly inadequate, particularly in light of limited promotion and the technical nature of the documents provided for comment. Moreover, there is a distinct lack of summarised or background information, including a clear definition and assessment of 'TITO' and 'CBC' systems.

Council is also concerned that the new system will exacerbate an already imbalanced power relationship between venue operators and EGM users. For example, the Operational Requirements state that 'venue operators may contact registered card holders after a lengthy period of inactivity to remind them of their cashless wallet balance, and the opportunity to collect the funds' (section 8.11, p.12). This provision is

¹ Victorian Responsible Gambling Foundation (2017) *Hidden harm: Low-risk and moderate-risk gambling*, published July 2017.

² *Ibid.*

³ Livingston, C. (2017), *How electronic gambling machines work: EGM structural characteristics*, published by the Australian Gambling Research Centre, July 2017.



likely to further entice card holders to return and risk further loss. With this in mind, the documents should be reviewed to ensure that further harm cannot occur as a result of proposed changes.

In summary, these proposed changes reduce Council's confidence in the Victorian Government's commitment to reducing the harms associated with EGM use. Coupled with recent announcements to 'freeze' the number of EGMs at 27,372 until 2042 and to double club entitlement caps from 420 to 840, this initiative heightens Council's concern for the health and wellbeing of Victorian communities as a result of gambling.

Council urges the Victorian Government to re-think this proposal and further engage with local governments and other stakeholders to minimise gambling harm.