



NSW Harm Prevention Cashless system (HPC): Design consideration discussion paper

Introduction

Estimates of the number of people currently being harmed in NSW from their own or another person's gambling range from over 900,000 to 1.7 million¹. This staggering public health crisis is barely being addressed. For some time, based on the results of Australian and international trials, it has been clear that a mandatory, cashless, limit-setting device would be an effective tool to reduce and minimise harm from poker machine gambling². More recently, based on investigations into money-laundering and using the proceeds of crime, the NSW Crime Commissioner called for a mandatory, identity-linked card/device to be required for poker machine gambling³. For these two reasons – public health and managing criminal activities – the time has come for NSW to introduce a system that addresses the issues. Evidence available now from previous trials, the Norwegian system, and comparison with online gambling clearly indicates that time and money losses will be reduced, and this will lead to a reduction of harm from gambling⁴. It is, after all, 12 years since the Productivity Commission strongly recommended universal pre-commitment be introduced with a full national rollout by 2016⁵.

There will need to be consideration of the transition to this system, although the widespread use of loyalty cards in the club sector suggests that many existing machines already have adaptable technical facilities. Some of the recent windfall income from fines on casinos and other gambling venues would provide funds to assist venues divest from poker machines or, for smaller venues, upgrade their systems. The ACT buy-back scheme during the initial phase of COVID presents a model.

Wesley Mission has prepared the following discussion paper based on academic studies, trial evaluations and consultation with our gambling counselling service staff.

The design features we suggest are essential for an effective system are:

- universal, with no cash payment options
- mandatory but adjustable limits;
- identity linked;
- incapable of using funds sourced from credit;
- includes harm minimisation measures, such as breaks in play and messaging;
- linked to exclusion registers;
- does not allow frictionless spending;
- is not linked to loyalty schemes; and
- has any other features necessary to prevent money laundering, including a card load-up limit of up to \$1,000

¹ 900,000 = 16% of the adult population based on the estimates of harm in the Hing et al *Second National Study of Interactive Gambling*, 2021; 1.7million is the sum of people listed on the NSW Office of Responsible Gambling [GambleAware webpage](#).

² Rintoul & Thomas 2017 – this survey brings together the results of a number of trials or implementations of voluntary pre-commitment systems in Australia and internationally. The evaluations clearly show that pre-commitment of money losses and time spent can be effective in helping people control their gambling, but only if mandatory; Tasmanian Liquor and Gaming Commission report to Treasurer 2022; Alliance for Gambling Reform Cashless Gambling Position Paper 2020

³ Project Islington Inquiry into Money Laundering, NSW Crime Commission, 2022 Recommendation 1 (p 19)

⁴ Chapter 8 of the 2021 Victorian Royal Commission into the Casino report outlines gambling harm. It is not possible to provide a reference to a similar overview of gambling harm in NSW because no significant research has been published.

⁵ Productivity Commission 2010, pp. 3, 7-29



Summary

From the outset, we should be clear that a cashless payment system that only addresses money laundering would be recklessly negligent in terms of gambling harm⁶. Wesley Mission is advocating for a system that brings together harm minimisation measures known to be effective and stops criminals from using a cash-based system.

As with other public health measures, to be effective, this system must apply to the whole (gambling) population, and therefore be universal. This guards against stigma and reaches people who do not yet realise or accept that their gambling is causing harm to themselves and their family. It will, however, be important to ensure that people can personalise the settings. Having a system independent of venues creates protective limits, which will also assist the staff at those venues in having helpful conversations with customers who reach their limits or are on a break during a gambling session. Staff are crucial to the successful implementation of any consumer protection tools⁷.

Limit setting, while currently voluntary in Australia, is widely available for online gambling. All available evidence shows that giving people a mechanism to limit time and money losses for land-based gambling would be effective in reducing those losses⁸. Other effective actions are breaks in play and personalised messaging, both of which would be facilitated by using cards or eWallets. What is not effective is a voluntary system, where either the use of a card/eWallet at all, or the setting of limits, is voluntary. Given the request of the Crime Commissioner for a mandatory identity-linked card to deter criminals from using poker machines to either “clean” money, or simply spend the proceeds of crime, we have an ideal opportunity to act in NSW. We know there is community support for reform⁹.

Poker machine losses are increasing year on year, despite a gradual decrease in machine numbers over time. The most recent first half 2022 data shows daily losses have reached \$21 million. Recent prevalence studies reveal that at least 16% of the adult population is currently experiencing harm from their own or another’s gambling¹⁰. We have no figures on the levels of harm experienced by children¹¹. As a public health comparison, we have an elaborate road safety public health infrastructure to deal with serious injury and death on the roads. Those rates are 0.8% and 0.005% of the population, respectively¹². Any activity that harms 16 times more people than road injuries should be tackled using all available tools.

Many of the components of a universal and mandatory system are already in place in NSW. NSW already allows and uses cashless gambling payment systems – TITO (Ticket in and Ticket out) to transfer money between machines, and an approved card that can accept up to \$5000¹³. Card-based loyalty programs are widespread within the club and casino sector and also used within hotels. These loyalty cards are identity linked, but there is no way of knowing if this data is well protected.

Note: Cashless gambling can be taken to mean any card, app or digital wallet which allows a person to gamble with their own money.

⁶ The VRGF study which is often referenced in this debate was very clearly examining the impact of a cashless payment system completely divorced from any gambling harm reduction or minimisation features: Hare *Impact of cashless gaming* 2020; Swanton et al *Cashless gambling: Consumer Perspectives on the risks...* 2022

⁷ Nisbet et al *Influence of Pre-Commitment* 2016

⁸ Auer, Hopfgartner & Griffiths *Effects of Voluntary Deposit Limit-setting* 2020

⁹ Bestman et al *Attitudes towards community gambling venues* 2018

¹⁰ Hing et al *2nd National Study of Interactive Gambling* 2021

¹¹ While no definitive study on the level of harm experienced by children exists, there is evidence of harm: Bestman et al *Children’s Attitudes to EGMs* 2017, Hing et al *NSW Youth Gambling Study* 2021; Pitt et al *Young people discuss strategies* 2022

¹² Transport for NSW Centre for Road Safety: [Statistics - NSW Centre for Road Safety](#) Accessed 19/12/2022

¹³ All these technologies have been approved by the NSW Independent Liquor and Gaming Authority (ILGA)



Design details

Universal

KEY DESIGN FEATURE: Every person gambling in NSW must have an identity-linked card or eWallet to use poker machines and casino games (and potentially all other gambling activities), and there can be no cash payments allowed.

There are two key reasons why a cashless system must be universal. Voluntary schemes fail because of the stigma attached to gambling problems¹⁴. Taking a card in a voluntary system is seen to be a signal that a person has a problem. Making the cards universal removes that significant barrier – and ensures that people who do not recognise they have a problem or are at the beginning of dangerous behaviour will be required to participate in at least the minimum levels of harm protection. For the Crime Commissioner, a voluntary card is ineffective – criminals will simply not take up the option.

There is extensive evidence that partial systems (i.e. voluntary participation of card or limits) have very low uptake, usually <1% and reinforce stigma for people struggling to control their gambling¹⁵.

There can also be no cash options. The NSW Crime Commissioner, who was directed to address only money laundering, suggested allowing a cash load up of \$1,000 a day on to a card, which would bring NSW into line with other jurisdictions¹⁶. However, allowing cash into the system, particularly with such a high effective daily limit, would negate several key harm minimisation features.

To be effective, all poker machines and casino table games must be included in the scheme. This prevents people from using additional cash-based machines, and if they reach their individual limits, it will ensure they will be unable to continue gambling on another machine or at another venue or moving to a different form of gambling. This also ensures that all gambling activity is being included for losses, activity statements and any messaging the person opts for.

It would be highly beneficial to include all land-based gambling in a second phase – TAB, on course bookmakers, lotteries, lotto and scratchies. A third phase could link with online gambling – Norway's system currently links all gambling activities together showing there are no technical impediments.

Identity linked

KEY DESIGN FEATURE: the payment system must be linked to a single identity to prevent customers using multiple or false cards, or cards belonging to other people, and should be linked to a bank account to prevent the use of credit and funds from criminal activities. This requires a single system, independent of government and the gambling industry.

The principle of the system is undermined if people have more than one card, because for harm minimisation purposes they will be unable to properly track their expenditure and limits will not properly apply. Previous systems in use, for example in Nova Scotia, demonstrated that people

¹⁴ Schellinck et al Evaluating the Impact of MyPlay in Nova Scotia 2010

¹⁵ Delfabbro & King *Voluntary vs mandatory responsible gambling limit-setting systems* 2021 (Wesley Mission uses this report with considerable caution); Tasmanian Liquor and Gaming Commission *Investigation of harm minimisation technologies*, 2022; Rintoul & Thomas 2017; SACES *Evaluation of YourPlay Final Report* 2019

¹⁶ Project Islington Inquiry into Money Laundering, NSW Crime Commission, 2022, p 59



will obtain multiple cards to get around limits. For money laundering purposes, knowing the actual identity of a person spending funds is part of the AUSTRAC system.

A common spurious argument against a cashless harm minimisation system is that people will obtain false identities to get extra cards. It is difficult to falsify identities in Australia for people without criminal links. The average person who is using poker machines simply will not go to the considerable effort needed to obtain multiple false identities. Neither are many going to pressure their family members and demand to use their cards or identities. This is a genuine concern for coercive relationships, however, so we recommend that all venues check the cards/wallets on a regular basis, and the use of another person's card becomes an offence.

We also suggest that an eWallet is therefore preferable to a card, because people are far less likely to lend a friend their phone to gamble, rather than their card, if the friend claims to have left theirs at home.

Criminals may be able to obtain false identities, but we are confident that the police and AUSTRAC have systems in place to minimise this.

The logical consequences of this is that there must be developed a single integrated system to which people apply for their single payment system (card or eWallet). It should therefore be operated independently from the government and the gambling industry. This will facilitate data protection, guard against concerns that the government is monitoring spending, and ensure that if police need the data, they will have to obtain a warrant to do so.

Mandatory, adjustable and binding loss limits

KEY DESIGN FEATURE: There must be realistic daily, weekly and annual loss limits in place, which may be varied, but when reached, cannot be ignored or over-ridden.

The Tasmanian government has recommended having default loss limits of \$100 per day, \$500 per week and \$5000 per year. These limits are significantly higher than average reported losses¹⁷, and also much higher than recommended lower-risk gambling thresholds¹⁸. This means they should not interfere in any way with people who are gambling as they intend.

People should be able to easily modify (but not remove) the daily and weekly loss limits, with a delay period of at least 24 hours after increasing the daily or weekly limit before it operates or can be changed again. The Tasmanian model allows daily and weekly losses to be increased within the overall annual loss limit. An option should be available for people to increase their own reset delay period if they would find that helpful. No delay period would be required when lowering a limit.

¹⁷ NSW Prevalence Study 2019: Table 24, p 16 – non-problem gambler average loss per year - \$226; medium-risk gambler average annual loss - \$2,348

¹⁸ Dowling, N., et al. 2021 "The identification of Australian low-risk gambling limits: A comparison of gambling-related harm measures" *Journal of Behavioral Addictions*, 10/1, 21-34 - Annual loss threshold of around \$550 a year between no detectable harm and harm being experienced; NSW Office of Responsible Gambling is using the Canadian Lower-Risk Gambling Guidelines to suggest no more than 1% of household expenditure, which is equivalent to \$35 p.w./\$1820 p.a. for a household income of \$180,000.



How this works:

Jim wants to move his daily loss limit from the default of \$100 a day to \$250 because his normal gambling practice is to have a big session once every few months. He logs on to the system/into the app and adjusts the daily limit to \$250. However, he only did that on the afternoon he wanted to go out gambling, so he wasn't able to lose more than \$100, because the new limit has a 24-hour delay before being operational. After a subsequent session when he lost \$250 much more quickly than he expected, Jim drops his daily loss limit to \$150. This is immediately in place.

Sandra has increased her daily limit to \$150. She often gambles every day. She knows she gets into difficulties if she gambles for more than 5 days in a row, so she has also set an option that if she does reset a daily or weekly limit, it will not operate for 48 hours. On day 4, after only losing \$50, her card stops working because she has reached the weekly \$500 limit. Sandra logs into the app to increase her weekly limit to \$1050, but this is subject to her 48-hour self-determined delay, during which she realises that she needs to keep her weekly limit at \$500, and she sets it back down, which is immediately in place.

Annual loss limits should only be increased if the customer can verify the source of funds to a suitably qualified and independent third party, such as a financial counsellor. This is in line with AUSTRAC guidelines to ensure that the proceeds of crime (organised or personal) are not being used. It is also our experience that people are more accepting of a meeting with a financial counsellor than a gambling counsellor because there is far less stigma attached to needing assistance with budgeting. We strongly recommend that a person should not be able to use their own accountant or other financial professional to approve an increase in the annual limit.

Wesley Mission's opinion is that a "source of funds check" is a more acceptable way of monitoring annual losses than to introduce an affordability check, which is overly intrusive. We believe that the idea of having to have that conversation with a person who is trained to understand finances is very likely to deter people from raising an annual limit when they cannot really afford it. On the other hand, during the conversation, if problems with gambling surface, it would be a key intervention point when a trained counsellor can suggest help. Alternatively, a person may well be able to afford to lose more than \$5,000 and if they can, the system should not prevent them. Wesley Mission suggests a delay period of three months before new annual limits are operational.

The annual loss limit of \$5,000 acts as a ceiling to prevent ludicrous daily and weekly loss limits of the kind seen previously at Crown Casino Melbourne, where people could set a daily loss limit of \$1million. It means that no-one can set their daily loss limit to be higher than their annual limit.

Wesley Mission supports time limit settings also. These are discussed under *Breaks in Gambling Time*.

Customers would receive messages alerting them to the approaching limit and notifying them of when they can gamble again – after 24 hours in the case of a daily loss limit, for example. Wesley Mission recommends making the frequency of these messages, and the delivery mode (on screen or by SMS) part of the options which customers can set for themselves. However, at least one message must be sent via the screen of the machine being used, or if that technology is not available, via SMS, regardless of other options.

Customers can always set their limits to \$0. This is an effective self-exclusion which Wesley Mission believes may be more socially acceptable than the current self-exclusion system and



therefore more likely to be used. Of course, anyone taking this option should receive a message encouraging them to have a conversation with a gambling counsellor.

How this works:

The Norwegian Norsk Tipping state monopoly on gambling currently provides evidence on the impacts of mandatory limit setting¹⁹. Since 2016 there has been a global maximum loss limit of €2000 per month across all (identifiable) modes, but customers are free to set a lower limit.

Over 90% of people set a limit less than the maximum, and the average limit is €450 a month. 75% of customers used less than half their self-imposed limit, and only 4.3% used more than 90% of their limit. 90% of customers who hit the limit stopped gambling until their limit reset.

80% of all customers, and 49% of people gambling intensively, have a positive response to the limit system.

One measure of impact is that of calls to their national help line, only 5% nominate Norsk Tipping alone as their main problem, whereas 71% nominate offshore betting companies, where the limit setting feature does not apply.

Breaks in gambling time

KEY DESIGN FEATURE: There should be unavoidable breaks from gambling, based on evidence of harmful behaviour, mimicking the natural breaks which occur when using cash.

The default settings for these should be:

- After topping up funds from bank account to card/eWallet, a 30-minute break
- After three hours in one session, a 30-minute break
- After 12 hours in any 24-hour period, a 36-hour break
- After 36 hours in any seven-day period, a seven-day break

These time breaks are based on conversations with experienced Wesley Mission gambling counsellors, research findings and consideration of the new Crown casino responsible gambling code²⁰.

Topping up the card should involve a break in gambling, either to go to a kiosk or to interact with staff to transfer money if cash top-ups are allowed. Requiring a 30-minute break after topping up (whether by cash or electronically) will prevent venues offering EFTPOS at the table/machine and will mimic the break in gambling that currently exists when a customer must go to an ATM or the bar to obtain cash.

Customers should also have options to set time limits to monitor the length of individual gambling sessions and the total time spent gambling per day and per week.

The option for a time-out should always be available, of whatever length the customer determines, and allowing for particular days to be blocked. A time-out is a temporary block on

¹⁹ Hoffmann Experience with global mandatory loss limits 2019; Auer et al Global Limit Setting 2020

²⁰ Delfabbro et al Identifying Problem Gamblers 2007; Under Crown's Responsible Gaming Tools, there is a section on 12 hour Daily & 36 Hour Weekly Visit Policy: [What is Responsible Gaming? | Responsible Gaming | Crown Melbourne](#); Hopfgartner et al 2022; Recommendation 10 of the Victorian Crown Casino Royal Commission sets out these time limits: • No player can gamble on a poker machine for more than 12 hours in any 24-hour period. • If a player has gambled for 12 hours in any 24-hour period, the player must take a break for 24 hours. • A player cannot gamble continuously on a poker machine for more than three hours. • A player must take a break of at least 15 minutes after three hours of continuous gambling. • A player cannot gamble on poker machines for more than 36 hours per week;



gambling, perhaps for a day, weekend or a week. It can be an effective circuit breaker for someone who is not yet ready to totally self-exclude from gambling.

Delay periods should also apply after a time limit is increased before it is operational. No delay would occur if a time-limit is reduced. It may be helpful to require a person to meet with a third party, for instance a gambling or financial counsellor, in order to lift time-outs or day-blocks, particularly if a person is setting frequent time limits.

When a mandatory break in gambling occurs, any funds held in the machine would be automatically transferred back to the customer's card or eWallet as the session is terminated. Further details are described under *Access to funds*.

Messaging

Key Design Feature: Personalised messages around approaching limits and overall activity can be useful for some people, but care must be taken not to send messages implying that machines are due to "payout".

For people under a compulsion to gamble, SMS and screen messages are likely to be ignored, so this feature is more likely to be of benefit to people who are unaware that they are losing more money or spending more time than they had planned, but still largely have their gambling under control²¹.

Many poker machines already possess screens on which messages can be displayed. They are currently used to highlight offers elsewhere in the venue, for instance, bistro specials.

When a customer is approaching a time or money limit, they should receive messages either by SMS or on the poker machine screen. The disadvantage of an SMS is that gamblers who are "in the zone" are unlikely to respond to an SMS. The disadvantage of a screen message is that it is potentially stigmatising as passers-by can see that the person is near a threshold. That disadvantage is outweighed by the advantages of a visible message that will cut through, as has been demonstrated in previous trials²².

Some research has been undertaken on the benefits of graphic messages rather than text, the value of short educational videos as part of the messaging mix, and the timing of messages (after a certain number of bets as well as limits are approached)²³. Consideration should be given to the ongoing evaluation of messaging modes and language, including languages other than English (chosen as an option by customers). Messaging could be used for general statements, but not so frequently that they are seen as spam.

Activity statements should be emailed or mailed (depending on the option chosen by the customer) monthly, at a minimum. Customers should be able to request more frequent activity statements. LivePlay activity statements – tracking a current session – as used in the Nova Scotia system, have mixed value. Many low to medium-risk gamblers found it useful to keep track of their current session, but those who were addicted tended to read the messages as indicating that the machine was due to pay out a jackpot²⁴.

²¹ Auer, Hopfgartner & Griffiths Loss-Limit reminders 2018

²² Bernhard 2006

²³ Auer, Hopfgartner & Griffiths 2018; Hilbrecht Prevention and Education Review 2021

²⁴ Bernhard et al Responsible Gaming Device Research Report 2006 – reviews in detail the design aspects of the Nova Scotia "system" and reported that although intensive gamblers did tend to view the Live Play reports in this way, they were also "enthusiastic supporters of this accounting feature" as way of assisting in limiting gambling activity generally



Access to funds

Key Design Feature: People must make conscious decisions to access their own funds and transfer them to a gambling account, so that automatic top-ups or the use of credit cannot be permitted.

Loss limits will apply to money transferred from a bank account or debit card. Wesley Mission does not support the option of allowing cash to be loaded up onto a card. EWallets do not allow cash transfers. There should be a load-up limit equivalent to the customer's weekly limit or \$1000 maximum, regardless of daily or annual loss limits.

Cards/eWallets must not automatically top up with new funds when the balance reaches zero, even if the loss limit has not been reached. Accessing new funds should always require a positive decision by the customer. This top-up action will also cause a break in gambling of 30 minutes.

Funds cannot be transferred from a credit source – credit cards are currently banned in NSW for land-based gambling, and there is ample evidence of the dangers of allowing people to gamble with money that is not their own²⁵.

There should be a default setting that transfers winnings put onto the card which are above the load up limit directly back to the linked bank account. In effect, customers could keep winnings in the machine and risk losing all their winnings, as long as those transactions occur within the three-hour maximum continuous gambling period. If a customer still has winnings as they approach that threshold, they would have to transfer the balance to their card, and the amount above the load up limit would go to their bank account.

How this will work

Jim has a weekly loss limit of \$1000. He started the week with \$1000 on his card but has already lost \$200. He starts a new session and immediately wins \$5000. He chooses to leave that in the machine, but this means he must stay at that machine to access the funds. After three hours gambling, he still has \$2500 in the machine.

The three-hour enforced break in play means the machine will transfer this balance back to his card and the load-up limit requires the card to transfer \$2300 back to his linked bank account.

Jim still has \$1000 on his card but cannot now access the remainder of his winnings unless he first loses money and transfers some of the win to his card, which will also trigger another 30-minute break.

Jim recognises that he is better off transferring the remaining \$2300 to his savings account, which is not linked to his gambling account.

Data

Key Design Feature: Data protection, which is currently lax within the gambling sector, must be a key concern of the Harm Prevention Cashless System by ensuring it is operated independently of the government and gambling industry (as is the NSER (National Self Exclusion Register)), linked to an independent single state-wide exclusion register and subject to Australian Privacy Principles which allow de-identified data to be used for research and policy development.

²⁵ The arguments and evidence surrounding a ban on credit are summarised in the [submission by the Alliance for Gambling Reform](#) to the Federal Parliamentary inquiry into the Interactive Gambling Amendment (Prohibition of Credit Card Use) Bill 2020



People are naturally hesitant for governments and public servants to have oversight of their personal spending and activities²⁶. However, the current usage of venue loyalty schemes, which are usually identity linked, track most activities within a venue, used for marketing and have no special legislative data protection, means that people are already at risk. The proposed rollout of surveillance systems such as Facial Recognition Technology, also on a venue-by-venue basis, will increase that risk. The proposed scheme should operate in a similar way to the National Online Self-Exclusion Register, with an independent statutory agency having oversight over a system operated by a company with no links to the gambling industry²⁷.

A single system will produce the kind of data the NSW Crime Commissioner noted was needed for good AML/CTF processes, would more easily link to an exclusion register, would prevent the use of multiple cards, minimise the need to provide identification documents, and underpin limit setting and appropriate messaging.

Additionally, the development of good public policy depends on good data. The problem facing decision-makers in Australia is the current reliance on self-reported prevalence evidence or responses from recruited panels for surveys. De-identified or anonymised data from real gambling activities, across the state, will provide significantly improved data sets for research and policy development. Naturally, this data must be protected by stringent controls, which satisfy the Privacy Commissioner and are compliant with Australian Privacy Principles. Current loyalty program data would be unlikely to satisfy these criteria. Researchers should have to demonstrate their credentials in order to access the data, and any resulting research should be published in Open Access format. Law enforcement officers would need to produce warrants to access the data.

Mandatory cards/eWallets should also interact with a state-wide exclusion register. Being entered on the register would automatically set time and money limits to zero. Binding the exclusion register to the card/wallet system will ensure that data is also protected by the same principles as the card.

Risks and mitigation

Access to multiple cards or eWallets/access to another person's card or eWallet

This is a risk for organised criminal behaviour. More concerningly, it is a predictable risk for people subject to coercive control. In such an abusive relationship, the dominating person could demand to use other people's cards, to use their bank accounts to link to the system, or to have them transfer money to the gambling account.

Mitigation:

Given the paper trail this system will produce, the risk of even organised crime figures going to the effort of creating multiple fake or stolen identities to launder money seems unlikely. The responsibility for mitigating this lies with AUSTRAC and the police.

Coercive control: it may not be possible to design the system to completely prevent this, although frequent identity checks by venue staff, under the rubric of AML/CTF procedures if not RCG (Responsible Conduct of Gambling) guidelines, should catch some people. Funding for family

²⁶ Swanton et al *Cashless gambling: consumer perspectives* 2022; Gainsbury *Player account based gambling* 2011

²⁷ [BetStop – the National Self-exclusion Register | ACMA](#)



and domestic violence services, along with the use of practice guidelines issued by ANROWS specifically around the links between gambling and violence²⁸, should be increased.

This should not be used as an excuse to not implement the overall system.

Revenue decreases leading to job losses and venue closures

This is a risk only if a significant portion of current revenue comes from the proceeds of crime or from people who are gambling more than they had planned. Neither is an acceptable source of revenue. Although the evidence is dated, \$1million in losses through poker machines creates around 3 jobs. \$1million in expenditure on food and meals creates 20 jobs²⁹. Additionally, there is a difference between job losses and impacts on jobs, which might mean a reduction of hours or shifts. This was highlighted during the Tasmanian 2018 state election³⁰.

Revenue cuts should be expected, even if they are due to the increased awareness of potential harm that will arise when the system is implemented. Reverse proof of this comes from the result in Nova Scotia when their limited voluntary and defective MyPlay system was abolished based on gambling industry lobbying. Revenues bounced back³¹.

Mitigation: If a venue is properly implementing AML/CTF measures and RCG practices, there should be negligible impact on revenue. If not, the business should look to alternative sources of income, and/or modify its business model. Venues could seek guidance from Western Australia, where no pub or club poker machines exist.

Job losses might occur within venues, although the evidence is far from conclusive. If \$1 million is no longer spent on poker machines, there may be job transfers to cafes and restaurants, or to other small businesses where that money is spent³².

The Productivity Commission highlighted this transfer of jobs from other venues to gambling venues. It is important to remember that money that is not spent on poker machines will highly likely be spent elsewhere in the venue or in the local economy – it does not disappear.

People will change gambling modes and move to online gambling

Evidence of the changes in gambling behaviour during COVID lockdowns in Australia indicated that while online gambling spending increased, and there was an increase in the number of accounts, widespread changes from land-based to online gambling did not occur. Existing account holders opened more accounts, and young men gambled more money.

An interesting alternative natural experiment from Piedmont shows that when poker machines were removed or their operating hours reduced losses from gambling were reduced, very few people switched to gambling online, and the total number of people gambling fell³³.

²⁸ Hing et al The relationship between gambling and intimate partner violence against women, ANROWS Research Report 21, 2020; Freytag et al The dangerous combination of gambling and domestic and family violence against women, Practice Guide, ANROWS Insights 6, 2020

²⁹ *The South Australian Gambling Industry Final Report*, commissioned by the SA Independent Gambling Authority, prepared by the SA Centre for Economic Studies, 2006; Updated fact check by ABC July 2018

³⁰ ABC Fact Check: Will removing poker machines from Tasmanian pubs and clubs cost thousands of jobs? Result: WRONG (Feb 2018)

³¹ MyPlay cancellation helped provincial coffers in Nova Scotia | SaltWire

³² Productivity Commission, *Gambling Inquiry Report*, 2010, Summary of impact on employment p 19, see also chapter 6.8

³³ Rolando et al *Italian gamblers perspectives* 2021



The results of the Norwegian studies demonstrate that few people switch modes of gambling when they reach their limits³⁴. In fact, very few people reach their limits, even when they are modestly low.

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