

CASINO CONTROL AND OTHER LEGISLATION AMENDMENT BILL 2023

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Legal Affairs and Safety Committee

Parliament House

George Street, Brisbane

QLD 4000

Dear Chair Peter Russo MP,

Thank you for the opportunity to respond to the Casino Control and Other Legislation Amendment Bill 2023. The Alliance for Gambling Reform (The Alliance) also made a submission to the Department of Justice and Attorney-General seeking views on proposed changes to the Casino Control Act 1982 and other Queensland gambling Act.

The Alliance welcomed the recommendations in the independent external review of the Queensland operations of Star and Palaszczuk Government's announcement to accept all the recommendations in principle. The Alliance also acknowledges the effort of the Queensland Government to replace terms such as 'problem gambler' and 'responsible gambling' in relevant legislation and replace it with wording to reduce stigma and shame. This is a positive, nation-leading step by the Queensland Government.

The Alliance is glad to see that all Queensland casinos will be impacted by the regulatory changes however many of these changes become redundant if they are only implemented in casinos and not hotels and clubs. For example, when there is mandatory pre-commitment at the casino and someone reaches their daily limit and wants to continue gambling they can go to a nearby pub or club. Further, having carded play at casinos only will push people looking to launder money to pubs and clubs creating an unsafe environment in our local communities. It is imperative that all Gotterson review recommendations are implemented on all poker machines in Queensland.

Perhaps the most important recommendation to reduce gambling harm is a mandatory pre-commitment system. The Alliance has long advocated for a mandatory, cashless registered gambling card with mandatory pre-commitment which is binding and has reasonable default

limits. We explore carded gambling in depth with extensive international research in our policy paper¹. Cashless gambling without robust harm minimisation features has the potential to cause greater harm due to the frictionless nature of being cash-free.

If you would like to access any of our policy papers on these matters you can do so here:

<https://www.agr.org.au/policysubmissions>

Yours sincerely

Carol Bennett

CEO

¹ Alliance for Gambling Reform, *Mandatory Cashless Gambling Card Policy*,
https://www.agr.org.au/files/ugd/f3b93a_bfcb93c5014a4d849de69db27979fb40.pdf

Alliance for Gambling Reform response to Casino Control and Other Legislation Amendment Bill 2023

The Alliance for Gambling Reform made a submission to the Department of Justice and Attorney-General seeking views on proposed changes to the Casino Control Act 1982 and other Queensland gambling Act. The comments below are similar to those made in that submission.

Recommendation 1: Carded play

The Alliance strongly supports requiring all gambling products to have a mandatory, identity linked card with the objective of both minimising gambling harm and preventing money laundering. Such cards should also be linked to self and third-party self-exclusion registers. The Alliance also urges that such a carded system must be linked to all gambling products (not excluding Keno and sports/ race wagering) as harms are not exclusive to the form of gambling and people may 'chase losses' once a limit on one gambling product is reached and use another, making the system less beneficial.

EGMs currently have functionality for loyalty scheme cards and many are fitted with Ticket In Ticket Out systems (another form of cashless gambling). With carded systems being trialled in NSW and implemented in Victoria's Crown Casino in December 2023, moving to such a system is achievable.

Despite the possible ease of operating a carded system via an EGMs loyalty system, there are significant risks with having carded play attached to a loyalty scheme. As casinos will be collecting data on more patrons when the card becomes mandatory, there is potential for operators to utilise enhanced information to inundate people with inducements. This has the potential to further increase harm and it must be clearly outlined in legislation that loyalty cards must not be linked to the carded system. At the very least, correspondence from the operator must be opt-in.

Finally, there must not be the ability for credit cards to be used to transfer money to the gambling card.

Recommendation 2: Cashless Gambling, Recommendation 3 and 4: Pre-commitment and breaks in play

The Alliance is conscious that recommendation 2, 3 and 4 are linked so we have decided to respond to all three of these in one section. As highlighted in our submission to the Gotterson report, the key harm minimisation features of a carded, cashless system must include:

1. identity verification in order to allow linkage to a (self) exclusion system;
2. prohibition on the use of credit to transfer funds directly or indirectly to the payment account;
3. introduction of friction in the form of time delays after top-up, thus forcing breaks in use;
4. limitation of the automatic top-up of funds;
5. limiting the amount that can be placed on the card at any one time; and
6. the ability to 'quarantine' funds, particularly winnings.

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.

Cashless gambling without harm minimisation measures is likely to facilitate less controlled gambling behaviour and may lead to an increase in gambling harm². Therefore, it is necessary for a carded system to have mandatory pre-commitment with binding and reasonable default limits. Tasmania is set to become the first jurisdiction with all EGMs having a cashless gambling system with mandatory pre-commitment and default limits of \$5,000 a year, \$500 a month and \$100 a day. These default limits are strongly supported by the Alliance and can be increased with proof of income if required. Without default limits, it is possible people may set loss limits at very high amounts. For example, in Victoria, the voluntary pre-commitment system YourPlay evaluation found daily spending limits of more than \$1 million are common³.

² Hare, S 2021, *What is the impact of cashless gaming on gambling behaviour and harm?*, Victorian Responsible Gambling Foundation, Melbourne.

³ 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

The Alliance urges the Queensland Government to commit to the same limits as Tasmania and have one limit for all gambling products (ie. \$100 limit is inclusive of both EGMs and table games).

When it comes to pre-commitment and breaks of play, all gambling products must be considered as one and any standards set must apply to all gambling products. For example, if a limit of two hours is set, that two hours could be spent gambling on any products whether that be EGM, table games, Keno or sports/ racing wagering in the casino.

Recommendation 5: Collection of carded play data and recommendation 6: Use of carded play data

The Alliance supports collecting data through a carded gambling system. The evidence often lacking in gambling research is due to independent researchers and governments not being able to access de-identified gamblers data. Implementing recommendation 5 and 6 provides an opportunity to ensure casinos are intervening with people who may be experiencing low levels of gambling harm to prevent further harms occurring.

It will be beneficial to collect and share data regularly with gambling users. 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.

The Alliance urges the Casino Control Act to make clear that the system that holds the data be owned separately to the casino and not have any conflicts of interest with other gambling companies. For example, Intralot is responsible for the delivery of YourPlay in Victoria (the voluntary pre-commitment system) and collects a substantial amount of data through that system, however Intralot also provides profitable gambling products. This should be considered a conflict of interest and any contract provided to a company that stores de-identified user data must be independent from the gambling industry. The Alliance urges against the casino operator being the main repository of the data to ensure an independent and conflict free system without delays to access of data or the possibility of inaccurate data.

The Queensland Government could also consider following Spain, France and the Netherlands by ensuring all data is placed in a 'data vault' which is managed by the gambling regulator. This data could be used to tailor policy in a swift manner.

Recommendation 7: Terminology

Removing stigmatising language from all Queensland gambling legislation is a positive step towards creating an environment where people are more encouraged to seek treatment services and speak openly about gambling harm risks. The changes suggested in the recommendation such as replacing phrases such as 'responsible gambling' and 'problem gambler' are welcomed by the Alliance.

The Alliance also urges the Queensland Government to consistently use 'gambling' instead of 'gaming' when referring to gambling products like EGMs, table games and wagering services. Using the word 'gambling' minimises the harmful nature of the product, likening it to a 'game' such as a video game or board game.

Recommendation 8: Code of conduct for safer gambling

The Alliance believes all gambling operators should be legally required to abide by a Code of Conduct and be given suitable penalties if they are found to be breaching it. This code should be drafted with people with lived experience of gambling harm, community health organisations and gambling harm experts and be independent of the casino operators. The main objective of the Code should be to ensure patrons exhibiting signs of harm, based on current research and data, receive meaningful intervention from casino staff that demonstrably leads to the prevention or reduction of harm. It is critical that casinos are legally obliged to adhere to the Code and there be suitable penalties for breaches.

Recommendation 9: Supervisory levy

The Alliance agrees that taxpayers should not bear the cost of the supervision of casinos and that it should be the financial responsibility of the casinos whether that be via a levy, casino tax or licence fees. As the proposed levy is going to be used to also fund programs aimed at reducing harm from gambling in Queensland (which is supported by the Alliance) it is important that the casino does not have the ability to influence the development of such programs and resources and it be completely independent of the casino.

Recommendation 10: Periodic review

The Alliance supports periodic reviews at intervals of no more than 5 years. The Alliance would suggest they be more frequent over the next few years due to the significant changes which will be required by the casinos. It is important they are held accountable and are being reviewed regularly to ensure they are meeting the new standards in both minimising gambling harm and preventing money laundering.

Recommendation 11: Giving effect to interstate police commissioner direction

It is crucial that there is a mechanism in place to ensure that each jurisdiction is working together to prevent those with an exclusion order due to criminal activity at one casino from being able to attend another interstate. The Alliance supports the proposed amendment to the Casino Control Act.

Additional regulatory reforms

- Access to casino monitoring:
 - As explored in our response to recommendation 5 and 6, the Alliance believes there should be an independent 'data vault' managed and overseen by the regulator that has access to all data collected using carded play or via machines and other gambling products. However, at a minimum, the Alliance agrees that suitable penalties that for delayed access to systems data is a useful tool to ensure swift delivery of required data.

- Interviewing excluded persons or minors in a casino
 - While the Alliance understands the need to update this legislation to ensure proper records are taken by police following any incidents at the casino, it is important that the interviews with excluded persons or minors do not happen in an area where there is gambling visible or audible. This must be included in the legislation to avoid harm to the individuals involved, especially minors.
- Increase penalties under the Casino Control Act and Regulation
 - The Alliance firmly believes increased penalties have played a role in proactive improvements to preventing and minimising harms at casinos. The Alliance urges the regulator to set a strong precedent and use these fines available when necessary. The Victorian regulator's investigations and penalties given to Crown Casino in Melbourne is a good example of holding the casino accountable and discouraging further wrongdoing.

Conclusion

The Alliance acknowledges the Queensland Government's commitment to introducing legislation to reduce gambling harm and money laundering in casinos and looks forward to continuing to be engaged in the implementation of these reforms. Importantly, people with lived experience of gambling harm, gambling harm experts and community health organisations (such as those working directly with people experiencing gambling harm) should assist in developing the Code of Conduct and guiding how the carded pre-commitment system operates in Queensland casinos. We also strongly advocate that all these changes in the Casino Control and Other Legislation Amendment Bill 2023 are also implemented in **all** pubs and clubs with poker machines in Queensland.