

# Kristie Johnston MP

Independent Member for Clark

Ms Melissa Ford  
Assistant Director  
Liquor and Gaming Branch  
Department of Treasury and Finance  
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Dear Ms Ford

Please accept this letter as a submission to the Second Review of the Responsible Gambling Mandatory Code of Practice for Tasmania in regard to the areas of the Code relating to advertising, inducements and player loyalty programs.

## **Advertising**

The current Code of Practice, as the Stenning Review concludes, does not have a strong set of advertising protections in place compared to other Australian jurisdictions. Licence holders must only take into account the potential impacts of gambling advertising, a requirement that is too broad and discretionary to be effective as it relies on subjective judgement by licensees and regulators.

I submit that the only effective measure is an outright ban on all advertising for poker machines, both outside the venue in any form, including signage, mainstream media and social media; and inside the venue where vulnerable people bordering on problem gamblers could be influenced to gamble beyond safe limits.

As your stakeholder consultation paper points out, there is clear evidence that the advertising of gambling products normalises gambling as a pastime in the community, similar to the concerns over the inclusion of bookmaker's odds in media sports coverage. In addition, again as you highlight, under the poker machine "reforms" there is certain to be competition between licensees to attract gamblers, which will inevitably lead to cycle of more and then more aggressive advertising as venues compete for customers.

There is no reasonable case to be made to allow the advertising of gaming machines, as it is impossible, in any substantial way, to protect children, vulnerable people or those at risk of problem gambling. Offers and inducements portrayed in advertising may be influential for individuals who already hold erroneous perceptions of their chances of winning on gaming machines.

There is no "safe" amount of advertising.

## **Inducements and Player Loyalty Programs**

The Stenning report found that Tasmania's inducement and loyalty programs fall short of those in other states. Regardless, as with my contention that there is no safe level of gambling advertising, there is also no safe level of inducement or loyalty programs.

As you highlight, the Productivity Commission found that inducements are likely to cause higher rates of problem gambling. Any and all such schemes can only result in making gambling more attractive, more accessible and therefore potentially more addictive.

There is no level of inducement or player loyalty that ensures gambling harm does not occur. Venues must be prevented from offering free vouchers, tokens or reward points that can be redeemed for gambling as these target those who are spending and losing the most amount of money.

This also applies to programs that reward players with "status" upgrades, free meals, drinks, accommodation, entertainment and so on. These are all inducements to keep players at the machines and increasing their spending.

The pre-eminent researcher into poker machine harm, Professor Charles Livingstone from Monash University, reports evidence that loyalty program members "generally spent more time gambling than non-program members and had a higher likelihood of being harmed from gambling".

The research showed that 18 per cent of survey respondents said that they had played gaming machines for longer than they had intended so they could get more rewards; 16 per cent said they had spent more money than they would have otherwise so they could get more rewards; 14 per cent said that they had visited a gaming machine venue more often than they would have otherwise so they could get more rewards; and 26 per cent either agreed or strongly agreed that having loyalty program membership resulted in their gambling more than they would otherwise. (Livingstone 2021, Submission to the Royal Commission into the Casino Operator and Licence.)

The sad reality of the gaming machine industry is that the business model relies on creating then retaining problem gamblers. There is no benefit to the player from inducement or loyalty schemes.

## **Conclusion**

My submission makes the case that there is no safe level of gaming machine advertising, inducement or loyalty programs. All should be banned. I understand that the focus of your review is on these matters only; however I would not be doing my duty if I did not draw your attention briefly to the more substantive problems concerning poker machines. If a fundamental goal of the TLGC is to foster responsible gambling then it is necessary for you to look far beyond the matters covered in this review.

The fact is that banning advertising, inducement and loyalty programs as I suggest, still only plays around the edges of real and effective gaming machine reforms. If the aim is genuinely to limit damage then the following measures are needed to break the addiction cycle:

- \$1 maximum bet limit per spin (currently \$5);
- slower spin speeds, at least six seconds;
- set maximum jackpots to \$1,000 (instead of \$25,000);
- increase the return to player to 95% (currently 85%);
- disallow sounds/message responses that disguise losses as wins;
- disallow false near misses;
- introduce regular machine shut-downs to provide breaks in play;
- limit opening hours for gaming venues.

I have canvassed these measures consistently for many years and will continue to do so.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Johnston', written in a cursive style.

Kristie Johnston MP  
Independent Member for Clark

22 June 2022