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Tasmanian Hospitality Association
Submission
Second Review of the *Responsible Gambling Mandatory Code of Practice for Tasmania*

1. Introduction

The Tasmanian Hospitality Association (THA) is pleased to lodge the following submission into the Tasmanian Liquor and Gaming Commission's (TLGC) second review of the Responsible Gaming Mandatory Code of Practice for Tasmania (mandatory code).

The THA is the peak industry body representing gaming venues in Tasmania and is pleased to present the industry's views and feedback regarding the mandatory code.

First, the industry is very supportive of the mandatory code as it provides the framework and obligations that guide responsible service of gaming in Tasmania. Importantly, the mandatory code plays a vital role in ensuring the potential for harm from this legal, entertainment activity is minimised.

The THA's submission on behalf of the industry is in two parts.

First, the submission provides the industry feedback on the findings from the 2021 report by Stenning & Associates "*Responsible gambling codes and harm minimisation policies of Australian jurisdictions.*", (the Stenning Report). Second, the submission provides the industry's views on amendments that would assist in the mandatory code being more effective in harm minimisation.

2. The Findings of the Stenning Report

The Stenning Report provides an important review into the operation of the Tasmanian mandatory code and compares this with the measures in place in other Australian jurisdictions.

It is important to note some of the key findings, with the following being direct quotes from the Stenning Report.

- “The breadth and depth of the controls in the Tasmanian Code continue to compare favourably with the harm minimisation and responsible gambling controls in other Australian jurisdictions - the Tasmanian Code contains many controls that are not present in other jurisdictions or go beyond the scope of the controls in other jurisdictions”.
- “The Tasmanian Code continues to provide a broader range of controls than can be found in other jurisdictions, exceeding them in numerous areas”.
- “The Tasmanian Gambling Exclusion Scheme also continues to compare favourably to equivalent schemes in other jurisdictions, with only minimal change to those schemes since 2017”.

It is very evident therefore that the findings in the Stenning Report demonstrate that Tasmania is very much a national leader in this regard, with a more capable and well-focused system in place.

The Stenning Report also noted, in relation to the *Tasmanian Government’s Future Gaming Market Reforms*:

“The Government’s Future Gaming Market Reforms are predominantly structural in nature and are not likely to have a major impact on gambling market behaviour.”

It is also noted that immediately below this statement in the Executive Summary of the Stenning Report, it also makes a similar point but in reference to gambling behaviour, as opposed to gambling market behaviour.

The THA does not agree with these views as we believe they do not take into account that the reforms open up the opportunity for the venue owners to work directly with the government and the community service organisations, to work together in further improving the service of gaming in Tasmania and further reducing the potential for harm.

In a previous submission, in relation to new technologies, the THA advocated for a more cooperative approach by the industry, the community service organisations and the Tasmanian government, which, with new technology enabling earlier intervention, will make a major difference in reducing the potential for harm and providing greater assistance to those gamblers when they most need it.

The Stenning Report also noted:

“While there may be some impacts on gambling behaviour arising from the reforms, it is not clear that any changes to the Tasmanian Code are warranted simply based on this identified potential impact. This is because:

- The Tasmanian Code already contains a wide range of controls relevant to those areas of gambling behaviour that may be affected by the reforms
- Existing hotel and club venue operators, granted new venue licences under the reforms, are already conversant with the Tasmanian Code as they and their staff must comply with it from an operational perspective.”

The Stenning Report then said,

“Rather, the challenge will be to ensure that in the move from a single gaming operator model for EGMs to an individual venue operator model that there is sufficient enforcement of the Tasmanian Code. In this respect, the Minister undertook at the 2021 Legislative Council Estimates Committee hearing on the Government’s reforms that ‘the government will resource the branch which supports the commission to adequately fulfil the commission's responsibilities which are, of course, very considerable”.

While the industry agrees with this assessment, and in particular ensuring the TLGC has the resources it needs to fulfil its responsibilities, the industry also believes that there are some improvements that can be made to the current mandatory code that will improve the day to day operations of the venues, and assist in further reducing the potential for harm. These potential areas for improvement are discussed below.

3. Important Opportunities to Improve the Effectiveness of the Mandatory Code.

3.1 Engagement between the regulatory staff and venues owners, operators and their staff.

The THA strongly advocates for a more cooperative approach in implementing the Mandatory code, and this includes better engagement between the venues and regulatory staff.

This can also include the manner in which minor breaches of the mandatory code are addressed, with matters being resolved there and then, at the time of inspection. Importantly, this would then ensure the regulatory staff will have greater time and capacity to focus on any more serious or major breaches.

This approach also provides for more dialogue so that the regulators are more aware of some of the issues being faced by the venue managers, ultimately leading to greater awareness and better outcomes. It is for these reasons that the industry fully supports the TLGC being properly resourced to fulfill its responsibilities.

3.2 Staff training in recognising people and working with gambling problems

In the main, venue owners, operators and their staff are the first point where intervention and support can be made available for an individual experiencing problems. It is essential therefore that they have the knowledge and skills that enable them to recognize when someone is experiencing difficulty, and to provide the assistance needed, at that time.

However, in the industry’s view, the training that is currently available does not provide staff with the necessary skills that are needed, in recognising and then working with people experiencing gambling problems. , The industry would be very supportive of improving the current training requirements, and the training services that are currently on offer. Also, the industry is of the view that advanced training in managing problem gambling should be available for venue supervisors, providing for more effective oversight and management of the venue.

3.3 Payment of Winnings

Experience is demonstrating that the current system for payment of winnings can lead to increased losses being incurred by patrons.

Perversely, the requirement to have any winnings over \$1000 paid by Cheque that must be marked "Gaming Machine Payout" or "Keno Payout", or by Electronic Funds Transfer (EFT), is seeing players gamble down their winnings to avoid making arrangements for such payments.

The industry is strongly of the view that this requirement to mark cheques identifying the reasons for the payment is discriminatory, this not being required of any other form of gambling winnings. Moreover, it is an unfair measure that seeks to stigmatise a gambler's winnings and is, quite frankly, offensive to those who enjoy gambling as an entertainment activity.

The industry is also of the view that EFT should be encouraged as the preferred method of payment of winnings, in place of payments by cheque. Importantly this will help to address any unintended consequences of payment by cheque, such as patrons looking to cash their cheques via same day lenders, as a means of avoiding cashing cheques at their bank.

If payments by cheque are to remain, the industry is of the view that the requirement to mark the cheques in this manner be removed, and that the limit for cash payments for winnings be raised.

3.4 Access to Cash

The current restrictions for pubs and clubs limiting cash withdraws to a maximum of \$200 once per day with ATMs not allowed in any part of a venue, need to be consistent across the industry. ATMs are permitted in casinos with a maximum withdrawal limit of up to \$400 and the THA strongly believes that ATMs should be available in pubs and clubs with withdrawal limits increased to the same level as casinos.

Importantly, the THA believes ATMs provide an effective way for all operators to implement best practise and remove any chance of unintended human error that may occur with the current regulations in the mandatory code. For example, the ability for ATMs to lock out cards and have maximum cash limits set, along with new technologies like facial recognition, mean that regulations that are set in the mandatory code can be maintained without mistakes for all gamblers wishing to accessing cash in all types of venues with EGM's.

3.5 Service of Food and Alcohol

Service of food and alcohol provides an important opportunity for venue staff to engage with all patrons. Importantly it provides an opportunity for a break in play and can be a much less confronting way of opening up a conversation between the staff member and the patron.

The current requirement of preventing food and drink being served after 6pm, takes away this important opportunity for interaction and this limitation should be removed. At the very least, foods like snacks should be able to be served at any time, as this provides an opportunity for a break in play and the opportunity for the staff to engage with the patron.

3.6 Player Loyalty Programs, Rewards and Promotional Activities.

Loyalty Programs

The THA is strongly of the view that player loyalty programs should be permitted in all types of electronic gaming venues.

The THA is concerned there is a misconception about player loyalty programs and the interpretation of these programs as “inducements”, when this is not correct and misleading.

It is important to note that research commissioned in 2014 by Gambling Research Australia (the federal and state government organisation established to manage gambling research), stated “Loyalty programs are different from inducements” and concluded that the purpose of loyalty programs was to encourage repeat visitation to a single venue.

This is no different with businesses in all industry sectors that offer loyalty programs (such as airlines, retailers, hardware stores) where the objective is the same, that is, to encourage the consumer to return to their business as opposed to their competitors. Indeed, it is discriminatory to single out pubs and clubs, as one part of an industry not permitted to operate a customer loyalty program.

The THA also believes that player loyalty programs offer an important opportunity to have voluntary pre-commitment embedded within them. This allows for those players who wish to set time and/or spend limits if they wish to do so, without being stigmatized by a standalone pre-commitment or self-exclusion system.

The THA also believes that player loyalty systems provide an important opportunity to provide patrons with valuable information and messaging about responsible gambling, providing another means to help reduce the level of problem gambling.

Importantly, as with all aspects of the electronic gaming machine industry in Tasmania, the regulatory and operating environment must be the same for pubs and clubs as is the case with the casinos. Simply put, it is not appropriate to establish a regulatory regime that commercially favours some businesses ahead of others.

Also, if the intention of a regulation is to address a particular concern or behaviour, then it must seek to do so in all types of venues equally.

Further, international gambling studies have shown that purchasing behaviour remains relatively unchanged after the introduction of retail-based loyalty programmes.

Arguments that make a case that loyalty programs lead to increased harm, therefore, are not supported by the research.

In terms of the rewards a loyalty program can offer patrons, the THA agrees that this should not include credits, in whatever form, for gambling purposes and this should apply across all venues that have electronic gaming machines.

However, loyalty programs should be permitted to provide other benefits for the patron, such as the purchasing of food and beverages in the venue, otherwise there is no purpose in creating such programs from the venue’s perspective. Again, as noted above, a loyalty program can provide the means to promote harm minimisation at the same

time as encouraging the customers to patron that particular business.

The THA is also of the view that there does need to be some direction on what loyalty programs can include, to ensure individual schemes do not act as an inducement to gamble, such as not permitting credits being awarded for gambling purposes. The industry stands ready to work with the TLGC in developing a framework for all venues with electronic gaming machines to develop and operate loyalty programs.

3.7 Clocks in Gambling areas

Currently the code requires an analogue clock in all areas that have any form of gambling. The need for clocks in the venue is recognised and supported however, this restriction should be reviewed as most people are comfortable with both digital and analogue style clocks.

3.8 Signage and Informing the Players

Signage requirements in venues needs to be reviewed, as the information that is provided may be outdated, and there is a critical need to ensure the information provided is contemporary and effective.

3.9 Advertising

There are currently some significant restrictions on advertising. It is agreed that the advertising by a venue should not proactively promote and glamorize gambling, but venue owners should be able to advertise all aspects of their offerings to patrons on the exterior of their venues.

The industry is strongly of the view that excessive restrictions to advertising amount to a restraint of trade, when other retailers of gambling products like Lotto are able to be promoted by businesses. Importantly, a venue owner offering accommodation, meals, bar and in-venue entertainment should be able to advertise all the services that are on offer, and the current restrictions need to be updated with these considerations in mind.

There are also potential unintended consequences of restrictions on advertising. For example, an individual visiting Tasmania or a local away from their home area, may enter a gaming venue unaware that it has gaming machines. The industry understands that some individuals choose not to visit venues with any form of gambling for many reasons, including self-excluded people or those that are feeling they may be at risk of developing a problem. For these reasons it is important that they are aware if a venue offers gambling, to help them make informed decisions before entering the venue.

The THA is also strongly of the opinion that advertising is a crucial part of engaging with new and current customers to promote all goods and services that venues offer, understanding that all advertisements must not promote unrealistic ideas of gambling in venues.

3.10 Summary

The THA stands ready to work with the TLGC and the community to update the Responsible Gambling Mandatory Code of Practice for Tasmania. Importantly we need to utilise the

advantages that new technologies and strategies offer, to help ensure that EGM's and all other forms of gambling in Tasmanian venues remain safe, at the same time as continuing to offer gambling as a form of entertainment enjoyed by many Tasmanians.

A handwritten signature in black ink, appearing to read 'S. Old', with a stylized, cursive script.

Steve Old
CEO
Tasmanian Hospitality Association