



Tasmanian Council of Social Service Inc.

Submission to the Second Review of the *Responsible Gambling Mandatory Code of Practice for Tasmania*

June 2022



**INTEGRITY
COMPASSION
INFLUENCE**

About TasCOSS

TasCOSS's vision is for one Tasmania, free of poverty and inequality where everyone has the same opportunity. Our mission is two-fold: to act as the peak body for the community services industry in Tasmania; and to challenge and change the systems, attitudes and behaviours that create poverty, inequality and exclusion.

Our membership includes individuals and organisations active in the provision of community services to Tasmanians on low incomes or living in vulnerable circumstances. TasCOSS represents the interests of our members and their service users to government, regulators, the media and the public. Through our advocacy and policy development, we draw attention to the causes of poverty and disadvantage, and promote the adoption of effective solutions to address these issues.

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Introduction

TasCOSS welcomes this opportunity to respond to the Second Review of the *Responsible Gambling Mandatory Code of Practice for Tasmania* (the Code).

TasCOSS takes a public health approach in our responses to gambling and gaming activities. Gambling harm is a public health issue as it impacts the health, finances, relationships and security of Tasmanians and their families. Beyond the person experiencing gambling harm, family members, friends, employers and colleagues can also be affected.

The Code was developed to minimise harm from gambling in the Tasmanian community and seeks to make gambling environments safer. With the Tasmanian gaming environment undergoing significant change as a result of the Tasmanian Government's future gaming market reforms, this is a timely opportunity to consider the Code's potential to minimise gambling harm and consider best practice approaches to gambling regulation for the Tasmanian market.

Consultation and Scope

TasCOSS has supported Anglicare Tasmania's work to consult directly with people affected by all forms of gambling harm and the professionals who support them. We acknowledge the significant research, lived experience and evidence Anglicare has drawn on in the preparation of its submission. TasCOSS endorses Anglicare's submission and recommendations for gambling harm prevention and minimisation.

TasCOSS has consulted with members and key stakeholders in the preparation of this submission. The feedback from our members has identified an overarching concern in relation to electronic gaming machines (EGMs) and the impact of the Government's reforms to the future gaming market.

Our submission is therefore focused on the appropriateness of the Code in relation to EGMs and the impact that moving to a competitive gaming environment will have on Tasmanians and local communities, particularly Tasmanians on low incomes or living in vulnerable circumstances.

Given the significant change and reform of the gaming market underway, TasCOSS is disappointed at the limited scope of the Second Review. We consider there are other elements of the Code that require review in light of the changes to the competitive gaming environment that the new regime will create and we urge the Commission to review all areas of the Code as soon as possible.

Recommendation:

Review elements of the Code outside of the scope of this Review as soon as possible, and prior to the commencement of the future gaming market reforms on 1 July 2023.

Key Issues

Advertising

The Code currently requires licence holders to ensure that gambling advertising is conducted in a manner that takes account of the potential adverse impact that it might have on minors, people at risk of gambling harm and the community. This objective is too broad to usefully guide what may or may not be permitted as an advertising activity, as well as what may or may not be an adverse impact on vulnerable people.

The consultation paper refers to a research report produced by Stenning and Associates (the Stenning Report), in which a desktop review of other jurisdictions and their respective codes of conduct was undertaken. The report identified that Tasmania does not have as strong a set of advertising protections in place.

Governments and regulators have a responsibility to ban or restrict the advertising and promotion of harmful products (such as is done with cigarettes and alcohol). EGMs are a harmful product as the Tasmanian Liquor and Gaming Commission has identified:

- the capacity for harm for some people is extremely high;
- people experiencing harm from gambling account for 40% of EGM expenditure;
- people experiencing gambling harm incur around \$70 million in losses annually.¹

There is no safe level of advertising for people at-risk of gambling harm and no way of restricting messaging or exposure to those needing to be excluded, for example minors, people at risk of or experiencing gambling harm, and people on inadequate incomes.

Given the broad scope of advertising activities, weaker advertising protections in Tasmania, the inability to exclude vulnerable cohorts from advertising and the fact that gambling on EGMs causes harm to individuals and communities, TasCOSS considers the Code must include a ban on all advertising of EGMs.

Recommendation:

Prohibit all advertising of EMGs and gaming products.

This is similar to arrangements in place in Victoria. However, while Victorian regulations allow for EGM advertising in-venue, we believe this should also be banned as it targets people who are vulnerable to, or already suffering, gambling harm.

A complete ban on EGM advertising includes, but is not limited to: on premise, external and outdoor signage; television, radio and online advertising; sponsorship; and promotional materials. This ensures gaming venues will not be able to advertise in locations such as near schools, communities experiencing a range of forms of disadvantage or other inappropriate locations.

¹ Tasmanian Liquor and Gaming Commission (2016), [Submission to the Joint Select Committee on Future Gaming Markets](#), p1.

This is appropriate given the gaming reforms underway, as the new market is likely to lead to networks of licensees coming together to advertise their particular kind of gaming product, machine speciality, or competitive advantage. A complete advertising ban avoids any kind of confusion or uncertainty regarding the parameters of what can and cannot be considered advertising and will provide a competitively neutral market that will reduce gambling-induced harm.

Inducements and Player Loyalty Programs

The Code's current objectives are that licence holders must not provide specific inducements that may lead to harm from gambling or exacerbate existing gambling problems. The Stenning Report found that Tasmania's inducement and loyalty program provisions compare less favourably to most other jurisdictions.

Inducements and Player Loyalty Programs are inextricably linked and as consideration of these two areas of the Code is combined in the consultation paper, we are also combining our response.

In the same way as there can be no safe level of advertising, there is no amount of inducement or player loyalty reward for EMGs that ensures gambling harm does not occur. According to the Victorian Responsible Gambling Foundation:

*"Incentives or inducements are a form of marketing used to attract new customers or to trigger further gambling. There is also evidence they can lead to people underestimating the risks they are taking."*²

By its very definition, inducements are problematic as their purpose is to influence, encourage or increase expenditure. The greater danger is that inducements encourage gamblers to spend more and spend more often, as well as luring people at risk of gambling harm back into venues.

Inducements can be triggers for people who have made the decision to quit gambling for reasons of being harmed, as an incentive is provided to lure someone who is vulnerable back into a venue. In this way, even more so than advertising, inducements are more devastating in terms of their contribution to harm.

There is no net benefit to customers from inducements or player loyalty rewards. They are both used by venues to encourage customers to increase either the frequency of visits, or amount of money they spend. Venues use them because they expect to make more money from a customer than they give away, resulting in an inducement or reward being a net loss to the gambler.

A further consideration is how easy it is for customers to exit loyalty programs and whether they incentivise people wanting to limit or quit their gambling to continue gambling. The risks of overall harm to gamblers is greater than any player loyalty programs benefits.

² <https://responsiblegambling.vic.gov.au/resources/gambling-victoria/gambling-advertising/> viewed 19/6/22.

Inducements and player rewards serve to benefit the venue, not the customer, and it is the role of the Code to minimise harm from gambling, not to protect the financial interests of gaming venues. Gamblers most at risk of gambling harm are also most at risk of being seduced by inducements and player loyalty programs.

Recommendation:

Prohibit all forms of inducements and player loyalty programs for EMGs and venues with EGMs.

Staff Intervention

While the Commission has determined that staff training and intervention is out of scope for this review, it is important to make comment given the Commission's assessment that the competitive environment will probably lead to increased gambling and could lead to increased gambling harm.

Staff intervention is a necessary harm minimisation measure and must be supported by mandatory, high-quality, consistent training. Venues must also require staff to act on the training. If the regulatory environment provides for venues to support staff intervention as a duty of care, there are positive benefits for detecting and avoiding gambling harm.

To be effective, the responsibility for staff intervention should sit with the venue and not individual staff. Venues should develop two-tiered systems where the first tier delivers training to all staff to recognise signals that someone is being harmed, and a second tier of more experienced, senior staff designated to undertake interventions.

Information to Players

While also out of scope for this review, we consider information to players is an important issue in an environment of increased competition and gambling harm.

A lack of understanding of how gambling and EGMs work can be a contributing factor to gambling harm. There is an information imbalance whereby gambling operators have far greater information about the products they are selling and the likely harmful consequences. There is also an erroneous assumption of rational decision making by gamblers using gambling products that are designed to be addictive. There is a body of research that indicates that when dealing with addictions, consumers are highly vulnerable to this information imbalance.

Provision of information to gamblers at the point of gambling is necessary for helping to make informed decisions about participating in gambling activities that can cause harm.

Conclusion

Advertising, inducements and player loyalty programs are all designed to increase the regularity and/or the amount of spending on gambling. This does not support the Code's objective of minimising harm from gambling in the Tasmanian community and seeking to make gambling environments safer.

There is no safe level of advertising for people at-risk of gambling harm and no way of restricting their exposure to advertising. In the same way, there is no amount of inducement or player loyalty reward that ensures gambling harm does not occur.

Advertising of gambling products or providing inducements and player loyalty programs are all marketing tools that result in net benefits to venue operators and not gamblers. These activities are designed to encourage increased spending, and therefore losses, for gamblers.

While out of scope for this review, staff training, intervention and information to players must be reviewed in the context of the future gaming market reforms, that will deliver a competitive environment that will likely lead to increased gambling and increased gambling harm.

Recommendations

1. Review elements of the Code outside of the scope of this Review as soon as possible, and prior to the commencement of the future gaming market reforms on 1 July 2023.
2. Prohibit all advertising of EMGs and gaming products.
3. Prohibit all forms of inducements and player loyalty programs for EMGs and venues with EMGs.