



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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STANDING COMMITTEE ON JUSTICE AND COMMUNITY SAFETY

Mr Peter Cain MLA (Chair), Dr Marisa Paterson (Deputy Chair), Mr Andrew Braddock MLA

# Submission Cover Sheet

## Inquiry into Cashless Gaming

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Dr Aino Suomi's submission to 'Cashless Gaming Inquiry'

*Dr Aino Suomi is the Director of the ANU Centre for Gambling Research (CGR). CGR undertakes independent research and outreach activities regarding the social and economic effects of gambling; the development of prevention strategies, harm prevention and reduction measures and treatment of gambling harm; the regulation of gambling; the nature of the gambling industry; consumer education initiatives on gambling; and community awareness and attitudes about gambling and gambling harm, as well as protective and risk factors. The CGR is hosted by the Centre for Social Research Methods, Australian National University, with a special focus on advancing evidence-based policy and extensive experience in working with State/Territory and Federal government departments. We work across jurisdictions using empirical data to improve policy that directly impacts on the outcomes of Australians and particularly vulnerable communities.*

## **Cashless gaming as a harm reduction measure**

Cashless gaming is one of the many behavioural strategies that can be used to reduce gambling harm, others including: time limit setting, monetary limit setting, and self exclusion. Cashless payment methods are generally associated with increased expenditure and pace of play (Hare, 2021) and should not be considered without other mandatory and universally implemented harm minimisation strategies such as behavioural tracking, personalised messaging and referral pathways to support services. Many of the purported and anecdotal benefits of cashless gaming have been conflated with the benefits of other gambling harm-minimisation tools that often accompany cashless gaming but there is no evidence to suggest that the use of cashless forms of gambling provides any consumer or harm-reduction benefits (Hare, 2021). Given there are not many jurisdictions where mandatory cashless gaming is in place or trialled with sufficient methodology, evidence using robust designs comparing cashless vs cash gambling is needed to identify how gambling is affected by all payment methods, including credit cards, debit cards and mobile payments.

## **Identity verification to tackle crime**

Given some evidence shows (Drawson et al., 2017) that nearly third of players discarded their card when they had hit their precommitment limits and switched to non-card playing, the cashless gaming should be mandatory, universally implemented and linked to a personal account, with the account holder verified by sufficient technology. In the absence of sufficient account verification mechanisms, (of which the facial recognition technology provides the

most secure method) the risk of money laundering increases. The European Union's 2019 supranational risk assessment outlines that the money laundering risk for EGMs may be increased by factors including insufficient customer identification and verification of identity, EGM features that enable the use of new payment methods, and the placement of EGMs. The use of contactless payment and the use of tickets were also assessed as posing risk in the 2019 risk assessment. To mitigate the risk, in Finland where cashless gaming with mandatory identity verification has been in place since 2021, the *Act on Preventing Money Laundering and Terrorist Financing (444/2017)* was amended so that all licenced gambling providers are now obliged to:

- identify their customers
- verify their customers' identity
- monitor any unusual patterns of transactions in their operations
- submit money laundering reports on suspicious transactions to the Financial Intelligence Unit of the National Bureau of Investigation


### **Infrastructure for harm minimisation**

A Central Monitoring System (CMS) -- or equivalent infrastructure -- is required to implement additional harm reduction strategies alongside cashless gaming to ensure product safety. These strategies are known to reduce gambling harm including, but not limited to loss limits, behavioural tracking, and personalised feedback (Harris & Griffiths, 2017). The harm minimisation infrastructure needs to have the capability to implement such measures through a confidential platform but also provide with appropriate support services where needed. There are examples from several other countries where pre- commitment schemes are used for harm-minimisation measures through the monitoring of patterns of play (Velasco et al., 2021). Deviations from usual pattern triggers a pop-up message or other measures, or the account holder can be discreetly contacted through the details they provide upon signing up. However these measures are only efficacious in reducing gambling harm if the scheme is made mandatory to all EGM players in the ACT, including mandatory pre-commitment and verified personal player accounts.

In addition, the aggregate and de-identified player data that can be harvested through the CMS – or other capability – should be made accessible and used for an independent evaluation of any planned reforms on EGMs including cashless gaming. The data could be complemented by data from clients and venue staff. To enable a meaningful evaluation, the scheme should be piloted and trialled with systematic data collection before and during the roll out of the scheme. We recommend using player data for proactive and individualised harm minimisation activities, and making the aggregate de-identified data available for a carefully planned evaluation.

## Conclusion

Cashless gaming holds the potential for gambling harm reduction if accompanied with other harm reduction measures and universal, mandatory application. The introduction of a CMS or other capability that can implement loss limits, pre-commitment of money and time, and behavioural monitoring alongside cashless gaming can potentially mitigate some of the gambling harm experienced in the ACT community. In addition, carefully planned and monitored identity verification process to sign up for a cashless personal account can reduce the risk of money laundering and related gambling related crime. If well resourced, these components are likely to result in significant benefits on population level, particularly if embedded in a comprehensive public health strategy on gambling harm.



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