

Opening statement – ACT Inquiry into Cashless Gambling, Carol Bennett.

27 March 2024

Thank you for inviting us here today for the Inquiry into Cashless Gambling in the ACT.

The ACT is generally considered to a progressive territory that accepts the importance of governing for public benefit.

That can't be said to be the case when it comes to gambling reform. If it could, the ACT would have already accepted the inevitability of a carded system including mandatory pre-commitment with binding and reasonable default limits.

A carded gambling system could be groundbreaking in reducing gambling harm and placing some limit on the behaviour of a predatory gambling industry that costs Australians more than \$25 billion in losses every year – more per capita than any other country on the planet. In the ACT that figure is growing each year. Canberrans lost \$188m in the last year alone – that's \$16m every month. Over \$1.2 has been lost in the last decade. These are staggering losses for a small jurisdiction of under half a million people.

The Alliance have already supported Dr Marisa Paterson MLA's legislation for pokies free new developments in the ACT as a key harm reduction reform.

We have also worked with ACT Attorney General Shane Rattenbury to look at other reforms to address gambling losses and harm. This includes the introduction of a Central Monitoring System (CMS) (which the ACT is playing catch up on behind other jurisdictions) and its capacity for setting loss limits and self-exclusion.

The Alliance is firmly of the view that cashless gambling is not an end in itself. However, collecting more sophisticated data about individual gamblers linked to an individualised mandatory cashless gambling card, provides the opportunity to significantly reduce gambling harm.

There has been an avalanche of evidence on how a mandatory, pre-commitment cashless card can work incredibly well to reduce gambling harm and disrupt

organised crime and money laundering. The Crime Commission Report of 2022 for instance, made the recommendation to the NSW government for this important reform. It is considered the 'gold standard' of gambling reform.

In NSW, the Minns government has been reluctant to adopt a cashless card, instead opting to kick the can down the road with the strong support of an industry not wanting scrutiny and accountability that will undoubtedly impact their bottom line. This is the risk for the ACT – not adopting the reform measures that will address gambling harm, choosing instead to pander to an industry intent on maintaining lax regulation that enables it to generate enormous profit from gambling losses.

I might add that's at odds with what the Canberra community want - a poll just this last weekend published in the Canberra Times showed that 66% of Canberrans think the government isn't doing enough to address 'problem gambling'.

Getting a mandatory, pre-commitment card right and having it implemented as quickly as possible is imperative if the ACT government are serious about reducing gambling harm in the ACT.

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.

Other features beyond beneficial for and important to a pre-commitment system beyond binding and default limits include:

- play limits set to require breaks in play and maximum play periods
- link to self and third party self-exclusion registers
- not allowing credit to be used when loading funds on a card
- not linked to loyalty schemes
- data accessible to the cardholder including time spent at an AGM, money lost and won
- opportunity for de-identified data to support monitoring, review and policy and program development as well as research.
- enable the ACT to compare data with other jurisdictions.

The Alliance would emphasise that any carded system must require mandatory pre-commitment and include binding and reasonable default limits. Cashless gambling without these robust harm minimisation features has the potential to cause greater harm due to the frictionless nature of being cash-free.

The evidence is clear: approaches relying on voluntary or anonymous gambling cards are self-defeating. They simply do not achieve the aims of minimising and preventing gambling harm and addressing criminal activity.

Tasmania is set to have all its electronic gambling machines converted to a cashless gambling system with mandatory pre-commitment and default limits of \$5,000 a year, \$500 a month and \$100 a day by November 2024.

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 The YourPlay evaluation found daily spending limits of more than \$1 million was common.

Crown Casino in Victoria has now launched a mandatory pre-commitment card following the Royal Commission into the Casino Operator Licence that found that a full, mandatory, pre-commitment system at the Melbourne Casino would significantly reduce the incidence of problem gambling.

Despite industry protests that such a system can't be implemented, in the case of Crown Casino in Melbourne the system was in place a little over two years from the original recommendation being made.

If executed and regulated well, a card-based cashless gambling system that's identity linked and has default limits will deter organised crime impacting clubs with poker machines. It would be very difficult for people to launder large quantities of money if these safeguards are in place – these safeguards will lead to safer families and communities.

The time to act is now, the damage gambling is doing in communities across the ACT is too grave to miss this historic moment for real reform.