



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON JUSTICE AND COMMUNITY SAFETY

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Submission Cover Sheet

Inquiry into Cashless Gaming

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ACT Legislative Assembly Inquiry Into Cashless Gaming

14/9/2023

1. What the implementation of card – based cashless gaming technology in the ACT would look like;

- We are of the understanding that most venue systems operating now in Clubs in Canberra have the functionality to enable a card based cashless gaming program that operates similarly to ticket in, ticket out (TITO).
- We note there are several manufacturer systems that can operate “digital wallets” are being trialled across Australia. We also note that a significant cashless trial in NSW is about to be undertaken and recommend the ACT government review this trial.
- Any implementation of a cashless system should be done in conjunction with the consumers option to choose to use cash or a cashless system and be voluntary. A major concern is that any system must be cyber secure and protect players privacy and data.
- The GTA can provide a more detailed response regarding trials of other cashless systems and current available technology.

2. Experience in other jurisdictions of cashless gaming trials, with particular consideration to issues around implementation;

- To our knowledge there are no jurisdictions in Australia that operate only cashless or have conducted only cashless trials.
- There have been three other smaller trials conducted in NSW by gaming manufacturers that we are aware of. Our understanding is that these have operated with cash and cashless. They are across a variety of manufacturers IGT, Aristocrat, Light and Wonder and to our knowledge no results have been published.

3. The nature and extent of money laundering that may be occurring in licensed premises in ACT through electronic gaming machines;

- We comply with our AMLCTF obligations, including but not limited to KYC, transaction threshold reporting, suspicious matter reporting. Once these reports are submitted it is up to the relevant regulators/enforcement agencies to investigate. We are not aware that there is a money laundering issue in the ACT and this question should be posed to the relevant authority.

4. The extent to which card – based cashless gaming would impact organised crime in the ACT;

- We don't believe there is a money laundering issue in the ACT and have limited information that could substantiate a definitive response. Again we refer your question to the relevant law enforcement authorities.

5. The potential impacts on reducing gambling harm from electronic gaming machines in the ACT;

- We are of the opinion that cashless gaming will not in itself reduce gambling harm and may have the opposite effect. We believe that cash enables some people to budget and control their expenditure.
- We recommend that the self-exclusion process should be strengthened, getting more information of help services to self-excluded patrons. Providing all self-excluded patrons, a mandate that they must seek some professional help prior to allowing them to revoke a self-exclusion. We also have supported the use of facial recognition to identify problem gamblers.
- We believe that other positive ACT legislation such as gambling contact officers training, gambling incidents and staff interaction with patrons enhance our harm minimisation in the ACT
- The industry has supported facial recognition trials and has also supported other initiatives such as identification of harm through algorithms.
- It is unclear how online account transactions compared to customer intervention such as walking away from an EGM or physically removing money from a cash facility may provide better player protections. The study conducted "[What is the impact of cashless gaming on gambling behaviour and harm? \(responsiblegambling.vic.gov.au\)](https://www.responsiblegambling.vic.gov.au)"

States the below

Findings

The rapid review identified substantial and concerning evidence that cashless gaming using monetary substitutes such as gaming cards will likely facilitate less controlled gambling behaviour, and potentially lead to gambling harm in some consumers.

Findings from consumer behaviour and cognitive psychology literature include:

- *Cashless payment methods are generally associated with increased expenditure, with evidence appearing to support that this applies to credit cards, debit cards, and potentially also mobile payments*
- *Cashless payment methods are largely associated with less 'pain of payment' when compared to cash, which suggests that cash is better for expenditure regulation*
- *Certain segments in the community may have difficulties with managing sufficient working memory and/or mental accounting, which is required in budgeting and expenditure management using cashless forms of expenditure. Previous research has identified such issues as highly likely among problem gamblers. Many forms of gambling already require complex mental tasks to be performed under time pressures that put a load on working memory.*

Findings from gambling research literature include:

- *Little gambling research has examined the unique effects of cashless gaming as a payment method, when compared to cash*
- *Many of the purported benefits of cashless gaming have been conflated with the benefits of other gambling harm-minimisation tools in ways that are not logical. There is no evidence to suggest that the use of cashless forms of gambling provides any consumer or harm-reduction benefits*
- *While some gamblers indicate that cashless gaming may help with the management of gambling expenditure, others report that it makes expenditure management more difficult*
- *The tokenisation of money tends to lead gamblers to spend more, when compared to cash*
- *Cashless gambling forms can increase the continuousness of gambling (a factor contributing to harm) by reducing the time an individual needs to take between bets.*

Findings indicate the need for further research to establish who is affected by cashless gaming, and also identify how gambling may be affected by all payment methods, including credit cards, debit cards and mobile payments using eWallets.

6. Any legislative or regulatory considerations that would be required if card - based cashless gaming were to be implemented in the ACT; and

- It is pre-emptive to provide detailed responses however, going to a pub or the club should not become a cumbersome process. Hospitality staff should not incur additional responsibilities, for instance, should any player accounts be required, staff should not have to act as bankers, customers should not be required to open an account at a club or pub.
- Legislation will be required regarding privacy, cyber security, surveillance, and relevant protection for customers from law enforcement overarching, into data requests.

7. Any cross – jurisdictional issues that may arise from the implementation of cashless gaming.

- The ACT is a tourism hub, any implementation of a cashless gaming system should work in conjunction with cash, to allow visitors to the ACT to be able to utilise electronic gaming machines.
- Where practicable we recommend ACT maintains its jurisdictional EGM relationship with NSW.