

**Submission  
No 39**

**INQUIRY INTO THE VICTORIAN AUDITOR-GENERAL'S REPORTS NO.  
99: FOLLOW UP OF REGULATING GAMBLING AND LIQUOR (2019)  
AND NO. 213: REDUCING THE HARM CAUSED BY GAMBLING  
(2021)**

**Name:** Alliance for Gambling Reform

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**ALLIANCE FOR  
GAMBLING REFORM**

**Public Accounts and Estimates Committee  
Inquiry into the Victorian Auditor-General's reports no. 99  
Follow up of Regulating Gambling and Liquor (2019) and  
no. 213: Reducing the Harm Caused by Gambling (2021)**

ALLIANCE FOR GAMBLING REFORM

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## Who we are

The Alliance for Gambling Reform (The Alliance) is a national peak body which represents a collaboration of organisations with a shared concern about the harmful aspects of gambling and its normalisation in Australian culture. We are a registered health promotion charity. The Alliance supports public policy and regulatory regimes that make Australia a safer, healthier, and more equitable society by preventing gambling harm.

## Recommendations

1. That the Victorian Government recognise that gambling is a harmful product and apply evidence-based recommendations to addressing harm from gambling. The government should adopt a comprehensive public health approach to gambling and to the gambling industry, as it does with tobacco and other legal products that have cause harm across our communities. This approach should be grounded in evidence-based policy and best practices worldwide. The responsibility of this portfolio should be within the Department of Health with collaboration from all Departments impacted by gambling (e.g. housing, veterans, family services, corrections, etc.).
2. Provide increased funding and long-term certainty to programs and services which are focused on preventing gambling harm through a public health approach, supporting those who've been harmed by gambling as well as the regulation and compliance of gambling products, venues, advertising and licenses.
3. Collaborate with all other levels of government on matters relating to all types of gambling and across all jurisdictions.
4. Cease direct consultation with the gambling industry on issues that have a direct impact on their pecuniary interests and collaborate more with community, community organisations, health services, those with lived experience and others with expertise, and local government who are better placed to objectively consider harms from gambling.
5. Remove outdated and stigmatising language (including the terms 'problem gambler' and 'gamble responsibly') from legislation and specifically the title 'Victorian Responsible Gambling Foundation'.
6. Increase times allowed to respond to and consider applications for poker machines or additional machines from the current 60 days to at least 120 days, giving the commission, councils and the broader community additional time to assess the potential impacts.
7. Applications for an extension of licensed trading hours require a simultaneous or subsequent review of poker machine licensing by the VGCCC.

8. Application forms relating to poker machines or venues be redesigned so the questions are more prescriptive and put greater responsibility on the applicant to objectively assess the known risks relating to social, health and economic impacts in the surrounding community.
9. Applications relating to gaming venues or additional machines being assessed by the VGCCC must be required to undergo a public notification process similar to statutory planning applications, with visible, onsite public notices, communication by letter to all properties within a 2.5km radius and that compliance with public notification is measured and reported on.
10. Limit the number of descriptors that can be used when weighting impacts relating to the 'no net detriment' test and develop clear parameters for each descriptor to improve transparency of decisions relating to net detriment.
11. The VGCCC must conduct annual assessments on all conditions placed on licenses for machines and venues, with licensees having to provide public annual reports relating to all conditions and the VGCCC reviewing and auditing these reports every year. The VGCCC must take appropriate enforcement action against venues or licensees found not to have complied with all conditions.
12. Venues reporting community benefits should report publicly and in full the nature of any benefits being reported. The recipient, the amount, the frequency and the nature of the benefit such as cash, vouchers, goods, room hire should be provided so the VGCCC can audit the benefit statement, and the community can fully understand any benefits.
13. Published information regarding licensing for gambling venues and license holders should be included in one location and provide the following details; the VGCCC decision on the application, any license conditions, previous license conditions, reports and assessments of compliance with license conditions, linked community benefit statements, results of any audits on community benefits or conditions, the responsible gambling code of conduct, dates of inspections and results of inspections, any previous enforcement action taken against the licensee or venue.
14. Introduce a 'data vault' where bookmakers must provide real-time, de-identified data as a condition of their licence to operate.

15. Use data available through Electronic Gaming Machines (EGMs) such as loyalty card data, Intralot and YourPlay data to determine trends and identify harm indicators.
16. Acknowledge that the National Consumer Protection Framework has positive elements but is very limited and must be expanded to have a more significant impact on preventing and reducing gambling harm.

## Discussion

### The impact of the implementation of audit recommendations on gambling regulation and harm

#### **Gambling Regulation**

The now Victorian Gambling and Casino Control Commission (VGCCC) has gone through extensive changes since the VAGO 2019 Regulating Gambling and Liquor report. The most significant were not due to the findings and recommendations of the VAGO report but instead were due to the Royal Commission into the Casino Operator and Licence (RCCOL).

The failings of what was the Victorian Commission for Gambling and Liquor Regulation (VCGLR) was not necessarily the fault the regulator itself but mostly due to the remit set out in the legislation established by government. These failings are discussed in the RCCOL report and clearly were also identified by the Victorian Government with the replacement of the VCGLR with the VGCCC - solely focussed on gambling. For the purposes of this submission the Alliance will also focus on gambling.

In response to the RCCOL, it became a legislative objective that the VGCCC must focus on minimising gambling harm. Prior to this legislative change and when the regulator was regulating both liquor and gambling there was more focus on a thriving industry than protecting the community from the harms associated with gambling.

One recommendation from the VAGO audit that the Alliance followed closely was recommendation 5 - developing principles or guidance for assessing net detriment and reporting transparency for gambling machine applications. Many of the councils that the Alliance works closely have received poker machine applications in recent years and it was clear that the 'no net detriment test' lacked transparency and consistency. Even with a new legislative objective to reduce harm, the Alliance finds that weightings given to impacts when assessing net detriment are not clearly defined, and it is difficult to understand without clear descriptors and parameters for each weighting. The most recent VGCCC decision (Grosvenor Hotel) highlights to the Alliance that the implementation of this recommendation requires further development. In terms of consistency, there will need to be a few more decisions made before making comparisons since the new regulator has only been in place for 12 months.



From the Alliance's perspective, the positive changes that have occurred at the regulator are separate to the audit recommendations made by VAGO, instead they have been driven by the RCCOL. The change in leadership at the regulator appears to have had a major impact on the appetite to make bold statements and actions (including record fines) which make it clear to the gambling industry that they are being carefully watched and must comply with the law.

Following the release of the VGCCC position statement on gambling harm, the Alliance is keenly watching to see the ways that this strong position on harm is put into action across the Commission.

We believe there are many ways that the Commission could enliven this position statement.

### **Gambling harm**

The Victorian Responsible Gambling Foundation (VRGF) has undergone a journey of change in its decade of service. As the VRGF's VAGO report was quite recent, some of the outcomes are yet to come fully to fruition or be publicly reported, however following conversations the Alliance has had with the VRGF, it appears there is a more positive understanding of the need for evidence-based, outcomes focused objectives in terms of research, awareness raising and service delivery.

Many of the critical changes such as improved service delivery, evidence-based prevention projects and integration with other services and government departments to support people with co-occurring conditions are yet to be completely established. There are also a number of barriers towards achieving these VAGO recommendations to their full potential such as the one-year funding cycle provided to the VRGF following the 2023/24 Victorian budget.

We believe the impact of VAGO recommendations on gambling harm and the implementation by the VRGF are positive, however it is difficult to assess whether the outcomes of those recommendations are positively impacting Victorians. The Alliance also strongly suggests that the evaluations of both the regulator and the VRGF should be publicly available to Victorians. While many tangible changes that the VAGO audit hoped to achieve are yet to come and there is clearly more work to be done, many of the outlined changes discussed in our recommendations and this submission, as well as the changes already underway at the VRGF, provide potential for reduced gambling harm in Victoria.

Further steps required to effectively regulate gambling, develop effective problem gambling prevention and treatment programs and reduce gambling harm in Victoria, including from online gambling

It is arguable that the historical focus of gambling regulation and its capacity to reduce harm in Australia has been largely ineffective. There has been a strong focus on individual responsibility, a flourishing industry and there have been a lack of diverse measures in place to effectively support people experiencing gambling harm.

Fundamentally, gambling harm and regulation must be recognised through a public health lens if harm is to be reduced. This is slowly shifting, however there is still so much that must be done to ensure a system that works for communities and supports the public's interest rather than those of industry.

It is crucial that the gambling industry is given less of an influential role in the development and implementation of initiatives aimed at reducing harm. A public health approach would require that a range of stakeholders including those with lived experience, gambling harm expertise and research be given a role in guiding government policy in the public interest. When industry is consulted, it should not be involved in consultations that have implications relating to their financial interests.

All references to 'gamble responsibly' and 'problem gambler' should be removed from legislation, research language and importantly, the name of the VRGF. This is now being recognised as stigmatising language which has been developed by the gambling industry to put the onus on the individual experiencing harm rather than recognising that gambling is a harmful product. Further, we must stop using 'gambling' and 'gaming' interchangeably. The Minister responsible for this portfolio is the Minister for Casino, Gaming and Liquor Regulation but the regulator is called the Victorian Gambling and Casino Control Commission. Using the word 'gaming' infers that the product is less dangerous and harmful. Acknowledgment should be given to the fact that gambling can and does cause harm.

There needs to be a stronger integration of gambling harm into health in Victoria. Despite numerous submissions, gambling is only mentioned once in passing in the Victorian Public Health and Wellbeing plan 2019-23. There was not one recommendation in the Royal Commission into Victoria's Mental Health System that highlighted gambling harm and the Alliance has not been able to meet with the Mental Health or Health Ministers of Victoria despite repeated requests. There is significant research linking health and mental health (anxiety, depression, suicide etc) with

gambling and this should be recognised and addressed by the Victorian government.

In recognition of the long-term harms felt throughout the community from poker machines and that, once installed, they are rarely removed, and the need to assess the level of potential detriment to the community and the local economy, we believe the VGCCC should review the length of time taken to decide applications and give councils more time makes submissions which would allow councils the opportunity to consult with community before submitting. We have heard from many councils that they don't have the resources or the agility to submit the kind of responses they would like to in a 60-day timeframe.

We also believe that applications should be treated similar to statutory planning applications and be subject to similar public notice requirements, such as signage and notices directly to properties that are within the area that the Commission generally considers as the catchment for the venue, a 2.5km radius. This would allow the community a realistic opportunity to make a submission to the process which would assist the Commission with having a more fulsome picture of potential impacts before assessing the net detriment.

It would also assist the Commission to assess harms if the application forms for venues and poker machine applications were to ask the applicant clearly to identify any known factors for increased harms within the local area (2.5km radius). Rather than asking the applicant to 'describe sensitive uses located near the premises', be prescriptive and ask; 'Are any of the following located within a 2.5km radius of the site' and then list known sensitive uses such as aged care, supermarkets, shopping strips, public transport stops or stations, schools, hospitals, etc.

The Alliance also hears from local government that with gambling room hours intrinsically tied to licensed trading hours, and with any increase or change of venue opening hours having the potential to increase the harms felt in the community, that any application to change the licensed trading hours of a venue should also include a review of the venues gaming license.

Councils tell the Alliance it is difficult for them to keep track of and understand conditions that are tied to decisions and that an improved website with records of venues and licensees connected to any related decisions, conditions, community benefit statements, audits, inspections, enforcement and their code of conduct would assist councils with knowing what they should be expecting from clubs and hotels in their

community with poker machines. Requiring licensees to report annually on any conditions, and to report in more detail on benefits and contributions would also assist councils and the Commission with having greater confidence that license holders and venues are meeting their obligations relating to harm reduction. Giving the VGCCC greater funding to allow for stronger reporting and for more inspections and audits would also grow confidence in their ability to meet their objective to reduce harm.

### **Necessary data to inform effective decision making to reduce gambling harm**

A significant portion of data which is not often accessible to researchers is customer data held by the gambling industry. Data that could inform effective decision making includes, but is not restricted to:

- Bookmakers: De-identified customer data to understand the impacts of various factors like inducements, patterns of spend on certain days of the week and hours of the day, effectiveness of pre-commitment schemes, patterns which lead people to self-exclude and information on most popular products to gamble on (i.e. International cricket games or AFL).
- EGM venues: access to loyalty card information and data collected by Intralot on patterns of peoples spending at certain hours of the day and days of the week, the impact of inducements, effectiveness of YourPlay, de-identified access to 'responsible service of gambling register'.

When there is the ability to track people or patterns of use this information should be mandatory with a gambling licence and there must be strong parameters in place to ensure that the gambling industry is sharing full and complete data with government to benefit harm reduction measures.

Victoria could also create a 'data vault' for bookmakers like those in Spain, France and The Netherlands which ensures real time data is available on every bet, the value of the bet, the bettor's age and what they bet on. This can be used to more effectively tailor policy. Currently the most up-to-date data we have for all gambling in Victoria is from when covid was still impacting gambling trends (except for Victoria's EGM data which is available monthly).

### **Best practice performance measurement and reporting, including measuring the impact of electronic gaming machines**

To tailor policy to reduce and prevent gambling harm there is already data collected by venues and by the Intralot system which can be used to measure the impact of poker

machines. For example, the data that highlights the losses on poker machines at certain times of the day and night and the amount of people utilising machines could help to create an evidence base which explores the need to reduce operating hours of venues. There is research which highlights how lowering operating hours would reduce harm and additional local data would also support necessary policy changes<sup>1</sup>. Loyalty program data could be used to explore how inducements impact people's spending and loss patterns.

The Alliance has long advocated for a mandatory carded system with pre-commitment on poker machines<sup>2</sup>. If this was implemented on all poker machines in Victoria (as it is being implemented at the casino) there would be even more data which could lead to policy changes. The data made available to independent researchers should always be de-identified but would significantly improve research and policy outcomes.

### **Which government agencies should be involved in gambling regulation and licensing processes to ensure best practice**

Gambling harm is an important public health issue and recognition that it is considered that way by governments is important. The Department of Health should have a role to play in gambling harm prevention and awareness. Further, gambling often exists and impacts a number of other Department areas like family violence, mental health, disability, veterans, housing and young people. There needs to be a whole of government understanding of gambling harm and its impact on the health, economic and social outcomes in Victorian communities.

The Victorian Government should work closely with the Federal Government, other States and Territories as well as Local Government to ensure that gambling regulation, licensing and enforcement is able to be delivered with a public health approach across all jurisdictions, no matter the type of gambling. This includes supporting the recommendations made in the Federal Parliamentary Inquiry into Online Gambling which made 31 recommendations to reduce the impact of online gambling on the Australian public. The gambling industry has benefited from legislative loopholes across jurisdictions whilst the Australian community has been left without seamless regulation to protect them from gambling harm.

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<sup>1</sup> [https://www.agr.org.au/\\_files/ugd/f3b93a\\_10049cd25ed24e53a146a94522294dca.pdf](https://www.agr.org.au/_files/ugd/f3b93a_10049cd25ed24e53a146a94522294dca.pdf)

<sup>2</sup> [https://www.agr.org.au/\\_files/ugd/f3b93a\\_bfcb93c5014a4d849de69db27979fb40.pdf](https://www.agr.org.au/_files/ugd/f3b93a_bfcb93c5014a4d849de69db27979fb40.pdf)

## **The impact and effectiveness of the National Consumer Protection Framework for Online Wagering in regulating gambling and reducing harm**

The National Consumer Protection Framework (NCPF) there has produced some positive outcomes but has not provided a national strategic approach to gambling harm. Some key elements include; banning wagering providers from providing credit to customers (yet to be legislated), improving the taglines on advertisements and development of the national self-exclusion scheme which will be effective from 21 August this year.

## **Conclusion**

There have been improvements to both the VRGF and VGCCC in line with VAGO recommendations since the reports, however not all recommendations have been fully implemented and there is scope for both agencies to do more to meet their harm prevention objectives. Harms from gambling in the Victorian community continue to grow, in part because more gambling products are being introduced and marketed to the community.

The Victorian Government needs to take an evidence-based, public health approach to preventing gambling harm, limit industry consultation and work more with communities, the health sector and all levels of government to protect Victorians from gambling harm. Treating gambling as we do any other public health issue in Victoria and placing it within the remit of the Health Minister while providing the resources required to research and regulate the industry will significantly reduce gambling harm in Victoria.

We urge the committee to accept the 16 recommendations outlined by the Alliance for Gambling Reform.



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