Committee Secretary
Joint Select Committee on Gambling Reform
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Australia

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Thank you for your invitation to make a submission to the Inquiry into Pre-Commitment for Poker Machines. I apologise for the lateness of this submission, and I appreciate that my submission can still be received and considered, although I will not have the opportunity to speak to you about it in person.

Background

My name is Thomas Cummings, and I am a former problem gambler. I became addicted to poker machines in 1995, a few years after they were introduced to my home state of Victoria, and over a three year period I lost an estimated $100,000. I spent my salary, the savings that my partner and I had accumulated, and then worked my way through several credit cards and a personal loan.

Prior to developing my addiction, I was firmly outside the commonly-accepted demographic for problem gamblers. I had a private school education, a university degree in Applied Science (Information Management) and a well-paid job in IT. However, when it came to poker machines none of this counted for anything.

Before 1995, my only involvement in gambling was a weekly Powerball ticket. I honestly had no interest in gambling in general, or poker machines in particular. I first played a poker machine after going out to dinner with my partner and her family; they decided to play, so I tagged along. I didn't spend much and I had fun. The following week, I was walking past a venue in Melbourne on my lunch break and decided to have another go. I lost $200 that day, and didn't tell anyone about it. That was all it took. I went back the next day, and the next.

Over the next three years I lied, I cheated and I played the pokies every chance I could. I literally could not stop. Matters came to a head in an argument with my partner over money, and my problem was revealed. I subsequently went through a number of relapses, broken promises and painful confrontations before finally kicking the habit for good; by then, I had lost everything including my relationship and many friends.

For the decade following this time, I was in denial about what I had been through. I not only stayed away from poker machines; I pretended they didn't exist. I didn't want to know, and I certainly didn't want to acknowledge the fact that I was still tempted. I was keeping the entire pokie industry at arm's length because I was scared that I would slip back into the old habits again.

It wasn't until 2010, as my 40th birthday approached, that I finally took stock and had a good hard look at myself. Recognising this denial for what it was, I turned my attention to the industry that I had been ignoring for so many years, and was dismayed to learn that very little of note had changed. There were warning signs, there were smoking bans, there were ATM restrictions; yet the pokies were taking in more and more money each year, and becoming more complex and "involving" all the time. Dismay turned to anger and I decided to write about my experiences, and publish them the only way I knew how: in a blog. I started a website called Cyenne and quickly my focus shifted from my personal experiences to the industry itself. I developed a regular readership, made contact with many other like-minded people and organisations, and generally became heavily involved in the area of gambling reform. Somewhere along the way I realised I no longer felt the compulsion to play the pokies; I had finally faced up to what I had done, and taken responsibility for it.

My reason for providing you with this information about my past is so that you can better understand where I am coming from, especially with regards to poker machines and pre-commitment technology.

Poker Machines and Problem Gambling

Unlike many advocates of gambling reform, I do not want to get rid of poker machines. My personal feelings towards them are quite clear; I hate them, and will never play another poker machine in my life. That, however, is my personal opinion, based on my experiences and my own weaknesses. I recognise that there may be a place for poker machines in society; what I oppose is the nature of the current situation.

Since starting my blog, I have become dedicated to true gambling reform:

- I advocate a revision of the technology behind today's poker machines. Technological advancements in poker machine design have outstripped the industry and the laws governing it by a significant degree; today's poker machines are the end result of millions of dollars of research and development, and encourage prolonged and repeated play to a level that encourages addictive behaviour in many players.

- I advocate a revision of the laws governing the industry. As long as the States regulate poker machines there will never be a national industry standard; nor will there be consistent legislation concerning the rights and responsibilities or gamblers, venues and corporations. The current debate over pre-commitment technology falls under this category, and I support the concept of mandatory pre-commitment technology, along with the majority of the other recommendation from the Productivity Commission Report into Gambling.

- I advocate social change. There is a widely-held belief that problem gamblers are stupid, irresponsible and weak at best. Those who hold these opinions are the first to decry any attempt at gambling reform as "wowserism", "big brother", "nanny state" actions; they claim that poker machines are harmless, and it's the problem gambler who is at fault. This is a view largely supported by the industry. The public perception of problem gambling needs to be taken seriously and steps taken to change that perception.

Mandatory Pre-Commitment Technology

As I stated earlier, I support the concept of mandatory pre-commitment technology for poker machines. I believe, based on my personal experiences, that a means of ensuring that people set their spending limits while they are not in a venue, and adhere to those pre-committed limits, would have a significant impact not only on problem gambling behaviours, but on the **development** of problem gambling behaviours.

I am aware of the many criticisms of mandatory pre-commitment technology; I have listed some of them below, along with my own thoughts.

- **Mandatory pre-commitment isn't a magic bullet. It won't stop problem gambling.**
    - This is true, but that is no reason not to go ahead with it. Problem gambling on poker machines will not be eliminated by mandatory pre-commitment, but it will be significantly reduced.
- **It's an invasion of privacy. I don't want to be fingerprinted, I don't want to have my spending details stored on a database, I don't want to be told how much I can spend.**
    - While biometric scanning (fingerprinting) is one option, I believe that it is the least likely to be adopted. Public perception is against it. However, the same industry that rejects fingerprinting as an invasion of privacy is happy to

fingerprint their drinking patrons; biometric scanning is in widespread use in pubs and clubs in NSW.

The central database concept is still widely feared, although there have been consistent denials that such a database will be put in place.

And thanks to misinformation from the industry, many people still believe that under mandatory pre-commitment, the government will determine how much they can spend. I will ignore this point as it is patently untrue.

- **Problem gamblers will just stop playing poker machines and gamble elsewhere, even online.**
    - There is a fundamental difference between a gambling addict and a poker machine addict. I believe the majority of poker machine problem gamblers are addicted to poker machines, not gambling in general. I know this was certainly the case for me. Poker machine addicts will, for the most part, not transfer their gambling behaviours to another form of gambling.

      Even if this were true, it is no reason not to implement mandatory pre-commitment. We are not talking about reforming a range of gambling industries; we are talking about poker machines. If people did transfer their gambling behaviours to other areas, then they would need to be assessed next.
- **Problem gamblers will find a way around the pre-commitment requirement, and will continue to play poker machines. Only recreational gamblers will be impacted.**
    - This is a direct contradiction of the previous point. And again, it is no reason not to put mandatory pre-commitment in place. Whenever there is a restriction of any kind, there will be a minority who find a way around it; the majority follow the rules. Mandatory pre-commitment will be no different.
- **Venues will lose billions of dollars and many (some say most) will go out of business. Thousands of jobs will be lost. This is not an attack on problem gambling; it's an attack on the industry.**
    - This line of thinking is most heavily promoted by the Clubs industry, especially in NSW. If mandatory pre-commitment impacts the revenue flow from problem gamblers to such a degree that clubs and pubs are forced to close, then it is proof that these venues only survive today because of problem gamblers. That is an intolerable situation.

      I am reminded of another industry, many years ago, where the suffering of the few contributed to the well-being of the many and the wealth of the elite. I'm not talking about gambling; I'm talking about slavery. I have yet to find someone who can tell me with a straight face that abolishing slavery was a bad idea.
- **Mandatory pre-commitment will cost billions of dollars to be implemented.**
    - The same organisations that make this claim (such as Clubs Australia) have also stated their support for voluntary pre-commitment. Given that the fundamental difference between the two is whether or not an individual chooses to take part, then surely the cost would be roughly the same regardless of whether the scheme was mandatory or optional.
- **Poker machines, in and of themselves, are harmless; it's the people who use them who are the problem.**
    - This is simple misdirection; an attempt to deflect the blame and the public scrutiny from the industry to the players. There is growing evidence that poker machines are designed in such a way as to encourage addiction amongst those who are vulnerable.

      This smacks of the "guns don't kill people" argument. Just because the majority of the population would probably be responsible gun owners is no reason to allow widespread access to weaponry. Similarly, just because the majority of the population aren't poker machine addicts does not mean they are harmless.

Proposal

There has been much discussion and public debate about the best and most effective way to implement mandatory pre-commitment technology across the country. The industry has constantly pointed out that there is no uniform poker machine technology standard; across the states and territories, there are many different types of poker machines from different manufacturers, of varying ages and with differing capabilities. They use this to justify their position that machine-based pre-commitment would be prohibitively expensive to implement.

There has also been much made of the possibility of biometric scanning, and less fanfare made about the possibility of using smart cards, even though this would appear to be by far the most suitable option.

After much thought, I would like to submit the following proposal for your consideration.

I propose a national mandatory pre-commitment scheme which:

- is venue-based, not machine-based
- requires recent spending history to be stored locally on a pre-commitment smart-card, not centrally via a network
- does not require machines or venues to be linked via a network
- requires machines to be modified to only accept disposable cash-cards (similar to the Victorian MetCards for public transport) in order to allow play
- requires players to present a pre-commitment smart-card in order to purchase these disposable cash-cards from the venue
- requires players WITHOUT a pre-commitment smart-card to provide another form of recordable ID (drivers licence, etc) in order to purchase a one-off low-denomination disposable cash-card
- requires players to have their daily and weekly limits set on their pre-commitment smart-cards before they can purchase a disposable cash-card
- imposes a default limit (eg: $50 a day, $200 a week) upon receipt of a pre-commitment smart-card. This default limit can be changed
- imposes a one-week delay on spending limit increases only
- requires pre-commitment terminals to be installed in all poker machine venues for limit increases/decreases

In detail:

Rather than linking all 200,000 poker machines in Australia on a single network, or undertaking a similar task for venues, I suggest an alternative approach.

First, all poker machines in Australia should be modified to only accept a “disposable cash-card” as a means of payment for play. This cash-card would be a lightweight cardboard card with a magnetic strip, similar to the old Victorian MetCard for public transport. Machines would no longer accept coins or notes; in order to play, a patron must purchase a cash-card.

At the same time, a pre-commitment smart-card would be introduced. In order to purchase a disposable cash-card, a player must present their smart-card. Gaming staff at the cashier’s office would check the player’s spending limits and recent spending history, recorded on the card, by means of a terminal, and only allow a disposable cash-card to be purchased if the player is within their limits.

There would be no need for the venue terminal(s) to be linked to any other venues or a central location.

Pre-commitment smart-cards could be made available from outlets such as post offices, and possibly other places (including possibly venues). Appropriate ID would need to be provided before a pre-commitment smart-card could be obtained.

Pre-commitment smart-cards would store the following basic details:

- player's name and date of birth
- player's daily spending limit
- player's weekly spending limit
- player's recent spending history

Use of the pre-commitment smart-card (when purchasing disposable cash-cards, for example) would be controlled by a 4-digit PIN. To purchase a disposable cash-card, a player must present their pre-commitment smart-card. It would be inserted into a reader device and the player would be prompted for their PIN (much the same as a credit card). Once the PIN has been entered, the staff member would be able to see what the player's daily and weekly limits are, and how much they have spent in the past day and the past week. If the player is still within their daily AND weekly limits, then they would be able to purchase a disposable cash-card. The amount purchased on the card would be recorded on the pre-commitment smart-card, and both cards would then be handed to the player.

If the daily or weekly limits had been reached, then the staff member would be unable to continue the process of purchasing a disposable cash-card.

Ideally all pre-commitment smart-cards would have default limits set, such as a maximum of $50 per day and a maximum of $200 per week. These limits could be changed by means of standalone terminals which could also be located in poker machine venues. To change their limit, a player would insert their card and enter their pin. They could then select whether to increase or decrease their daily or weekly limits. A one-week delay would be imposed on any limit increases, to ensure that players did not try and increase their limits in order to continue a gambling session. Limit decreases would be immediate.

There are other rules that could be put in place, such as ensuring that limit increases are not unreasonably large. A player with a daily limit of $40 should not be allowed to increase their daily limit to $400 in a single step, for example, although they could certainly do so over an extended period of time.

For those occasional players who do not have pre-commitment smart-cards, a low-denomination disposable cash-card (eg: $20) could be purchased so long as they provide some form of recordable ID, such as a driver's licence or a senior's card. Details of the ID would be recorded at the time of transaction, and would prevent multiple "uncommitted" purchases from being made on the same day. While it is theoretically possible that people without a pre-commitment smart-card may move from venue to venue to allow continued play, the reality is that they would only be able to spend $20 at each venue.

The introduction of a pre-commitment smart-card should also be accompanied by new legislation aimed at preventing players from using other people's cards to play poker machines. Winning money by using someone else's pre-commitment smart-card should be seen as obtaining money through deception, and handled accordingly. For many, the knowledge that using someone else's card is not only illegal, but may mean that they can't keep their winnings, would be a sufficient deterrent. There is already a precedent here, with Crown Casino refusing to pay out on loyalty jackpots won using other people's cards.

This proposal removes the need to network machines or venues and allows occasional poker machine players to play at low intensity without pre-commitment; at the same time it ensures that pre-commitment must be in place for all other poker machine players, enforces a player's self-chosen spending limits, and protects the privacy of their information.

It ensures that players can't increase their spending limits while affected by gambling, as limit increases would take a week to come into effect; and it ensures that staff cannot break the rules, either by accident or intent.