

Appendix D

Panel feedback on draft recommendations

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Australian Hotels Association NSW (AHA NSW)

The recommendations made by the Panel's Executive are not supported by evidence. The Executive of the Panel were given specific instructions by Government to make recommendations after considering the infrastructure investment required and the impact on employment and industry. This simply has not been done.

The Panel's Executive have acknowledged there are significant gaps in the information it was required to provide and have requested government undertake additional analysis as part of any decision (Rec 1.13).

As the Executive of the Panel have not provided the Government with the information or evidence requested, they are not in a position to make recommendations on the future of account-based gaming.

Research is embarrassing & not credible

The research findings of the cashless gaming trial are embarrassing and not credible. The 'Research Report' the Executive of the Panel has relied on consists of a survey of only 2 players and an interview of 1 player – Further, the 2 players surveyed did not use the mandatory account-based technology that has been recommended.

The researcher has produced a 214-page Report by including the personal opinions of 70 industry, venue staff and gambling harm advisors, and 15 patrons who did not want to use the technology. This is not evidenced based.

Throughout the Panel process, there is:

- No assessment of the impact on industry & employment – this has been passed this back to government to undertake this work 'as part of any decision'
- No consideration of infrastructure & investment required – The Panel's Executive don't know the infrastructure needed, or the cost
- No evidence to support a mandatory account-based system – because it was not trialled
- No research findings of the trial supporting mandatory account-based gaming – research involving only 2 players has no credibility
- No information on how the economic sustainability of the sector can be supported and jobs maintained – it was not considered
- No information on the impact on small, regional venues or border town venues – it was not considered
- No information on whether gamblers will bet more because they don't feel the pain of losing cash – this was not considered
- No information on whether a mandatory cashless system will simply cause gamblers to migrate to other less restrictive forms of gambling – this was not considered
- No information on the impact of a mandatory cashless system on gambling harm – because this was not trialled or researched

Given the non-existence of evidence, AHA NSW object to formal recommendations on the mandating of account-based gaming being included in the Roadmap.

Terms of Reference Not Satisfied

The Panel's Terms of Reference should be included in any publicly released report by the Panel's Executive.

The Government has been clear on the primary purpose of the Panel:

"Michael Foggo and the independent panel will advise on the technology, infrastructure, cost, impact on industry and employment, and options to reduce gambling harm, that is their primary purpose." Minister Harris announcing the Panel & its Terms of Reference. 13 July 2023

The Panel's Executive has not advised on:

- the technology
- the infrastructure
- the cost
- the impact on industry & employment

This was the Panel's primary purpose. Without this information it is not possible to make an evidence-based recommendation on statewide account-based gaming – particularly as it was not trialled in any venue.

The Panel's Terms of Reference were clear. Evidence and trial research findings were required to support any recommendation of mandatory account-based gaming.

"b) ii) milestones for the possible delivery of mandatory gaming reform in all NSW hotels & clubs – provided the research findings of the trial support the objective."

The trial's research clearly did not produce evidence to support such a recommendation.

Recommendations Not Evidence-Based

The Government was clear it required evidence based recommendations:

"The panel has a big job to do but we have the balance right to ensure we have an evidence-based roadmap for future gaming reforms." Premier Minns announcing the Panel & its Terms of Reference. 13 July 2023

The Independent Panel on Gaming Reform Terms of Reference tasked the Executive Committee with making recommendations to Government only if *'the research findings of the trial support this objective'*.

"b) ii) milestones for the possible delivery of mandatory gaming reform in all NSW hotels & clubs – provided the research findings of the trial support the objective." Panel Terms of Reference

Further, the Panel's terms of Reference were very specific, requesting the Executive of the Panel *only* make recommendations after taking into consideration the infrastructure investment required, the impact on industry & the impact on employment:

"a) v) Developing recommendations for Government, taking into consideration infrastructure investments required, impact on employment and industry, impact on gambling harm, options to further reduce gambling harm, and impact on reducing money laundering.

b) iv) further measures arising from the trial of cashless gaming that should be taken in consideration to stop money laundering, minimise the harm caused by EGM gaming to individuals and community, and support the ongoing economic sustainability of the sector and the maintenance of jobs, with a particular focus on smaller venues, regional venues, and border town venues.

No consideration of these factors has been made, yet the Executive of the Panel has made a recommendation for a technology that was not trialled, assessed or costed.

As the Executive of the Panel has not provided the Government with the information or evidence requested, it is not in a position to make recommendations in accordance with the Terms of Reference.

2 Way Protocol

Significantly, the Panel was briefed that NSW is moving imminently to a 2-way protocol.

Again, the infrastructure required is unknown, but it is expected to require a physical upgrade to all gaming machines and possibly the full replacement (at around \$30,000) of around 30,000 older machines.

It is expected the move to a 2-way protocol will cost the NSW industry over \$1 billion.

This is a most significant change and impost on industry, which cannot be considered in isolation. The infrastructure required to move to a 2-way protocol and the cost to industry need to be considered prior to any decision on account-based gaming.

Additional Work Required

The Executive of the Panel has acknowledged it has not completed the work requested of it and has now asked the Government to do this work for them as part of ‘any decision on account-based gaming’. (Rec 1.13)

AHA NSW strongly believe that **Recommendation 1.13** be the primary recommendation of the Panel:

Recommendation 1.13: *The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.*

Account-based gaming

Executive Committee recommendation	Endorsement or alternative view
Principles	
<p>Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this.</p>	<p><u>Not Endorsed</u></p> <p>See the response to the Panel’s Executive recommendations above.</p> <p>The Panel has not obtained the information requested and does not have evidence to make informed recommendations on account-based gaming.</p>
<p>Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should:</p> <ul style="list-style-type: none"> consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready determine the approach for the mandatory implementation of a statewide account-based gaming system, including appropriate considerations for border towns. 	<p><u>Not Endorsed</u></p> <p>See the response to the Panel’s Executive recommendations above.</p> <p>AHA NSW strongly object to the recommendation that account-based gaming should be mandatory once a centralised system is fully implemented.</p> <p>Mandatory account-based gaming was not trialed in any venue.</p> <p>The Panel’s Terms of Reference were clear. Evidence & trial research findings were required to support a recommendation of mandatory account-based gaming.</p> <p>b) ii) milestones for the possible delivery of mandatory gaming reform in all NSW hotels & clubs – <u>provided the research findings of the trial support the objective.</u></p> <p>The trial’s research clearly did not produce evidence to support such a recommendation.</p> <p>The limited trial demonstrated that patrons had a range of reasons for not engaging with the technology, including:</p> <ul style="list-style-type: none"> the cumbersome sign-up process, identity verification requirements,

Executive Committee recommendation	Endorsement or alternative view
	<ul style="list-style-type: none"> • fears of monitoring by government or regulators, • concerns about data privacy and security, and • a lack of digital literacy. <p>Simply put, making account-based gaming mandatory will not address any of those concerns.</p> <p>Mandatory account-based gaming will frighten away casual gamblers, while problem gamblers will simply sign-up to continue gambling.</p> <p>AHA NSW strongly believes that if account-based gaming is made mandatory it is likely that many patrons will simply choose not to use gaming machines at all – or will migrate to other less restrictive forms of gambling.</p> <p>This outcome would have a devastating impact on the NSW hotel industry and put at serious risk the employment of the 72,000 direct employees of AHA NSW members. It would potentially put the economic viability of the hotel sector at risk.</p> <p>It is noted that one clear way for the government to obtain the information they have requested in the Terms of Reference on the impact on industry & employment is to undertake a genuine mandatory cashless trial in an isolated area.</p> <p>This could be done by:</p> <ul style="list-style-type: none"> • Locating a region in NSW with a small number of hotels & clubs • Ensuring the region is an appropriate distance away from the nearest town • Run a full mandatory cashless trial • Use the \$100 million fund to run the trial, including Installation & full compensation to venues <p>Such a trial remains a clear way to determine the impact on industry & employment.</p>
<p>Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.</p>	<p><u>Not Endorsed</u></p> <p>See the response to the Panel’s Executive recommendations above.</p> <p>The Panel’s Executive has not provided the Government with the specific information requested of them in the Terms of Reference.</p> <p>The trial has not generated the necessary data for the Panel to make informed</p>

Executive Committee recommendation	Endorsement or alternative view
	recommendations in relation to account-based gaming.
<p>Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).</p>	<p><u>Not Endorsed</u></p> <p>See the response to the Panel's Executive recommendations above.</p> <p>While AHA NSW support the continued use of cash, we do not believe the trial has generated any data for the Panel to make informed recommendations in relation to account-based gaming.</p>
<p>Recommendation 1.5: An account-based gaming system should include opt-out default non-binding spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.</p>	<p><u>Not Endorsed</u></p> <p>AHA NSW support players having access to tools to control their gambling, including spend and time limiting functionalities.</p> <p>However, we do not support arbitrary default limits being imposed on players on an opt-out basis. Each individual's circumstances are different, and players should be given the ability to opt-in to set their own limits.</p>
<p>Recommendation 1.6: An account-based gaming system should reduce the threshold for paying out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.</p>	<p><u>Not Endorsed</u></p> <p>The recommendation to reduce the threshold for paying out winnings in cash is not supported by evidence, and it is unclear what it aims to achieve.</p> <p>It is noted that in other forms of gambling, including wagering and lotteries, winning are paid in cash.</p> <p>The Government's recent reduction in the cash input limit to \$500 prevents money launderers from 'loading up' an EGM and then claiming a cheque to 'legitimize' their winnings. Lowering the cash payout limit does not prevent money laundering, nor is it a harm minimisation measure.</p> <p>AHA NSW do not believe that the current limit should be changed.</p> <p>AUSTRAC has already proposed a reduction on anonymous cash to \$5,000 as part of its Tranche 2 reforms (and a Bill is currently before the Federal Parliament to this effect). It is unclear why the State government should pursue an alternative course of action.</p>
<p>Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.</p>	<p><u>Not Endorsed</u></p> <p>AHA NSW are supportive of the statewide exclusion register and facial recognition technology to exclude problem gamblers from</p>

Executive Committee recommendation	Endorsement or alternative view
	<p>gaming rooms.</p> <p>However, AHA NSW remain concerned that interoperable systems linking health information, biometric information, and financial information presents a serious privacy and data breach risk for patrons.</p> <p>Further, linking all three systems has not been costed or properly examined in terms of infrastructure required.</p>
<p>Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.</p>	<p><u>Not Endorsed</u></p> <p>See the response to the Panel’s Executive recommendations above.</p> <p>The Panel’s Executive has acknowledged there are significant gaps in the information it was required to provide and have requested government undertake additional analysis as part of any decision.</p> <p>The Panel has not obtained the information requested and does not have evidence to make informed recommendations on account-based gaming.</p>
<p>Recommendation 1.9: An account-based gaming system should be evaluated as part of the broader reforms evaluation.</p>	<p><u>Endorsed, with Amendment</u></p> <p>AHA NSW submit that the recommendation should be changed to “Any account-based gaming system should be evaluated as part of the broader reforms evaluation”.</p>
Considerations for design and build of an account-based gaming system	
<p>Recommendation 1.10: The NSW Government ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine:</p> <ul style="list-style-type: none"> • the most appropriate terminology for ‘account-based gaming’ from a customer perspective • the most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools • the most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate with regular players to enhance meaningful engagement with deposit limits • the most effective ways to leverage 	<p><u>Partially Endorsed</u></p> <p>The AHA NSW supports research into the effectiveness of breaks in play and the cost of implementing this.</p>

Executive Committee recommendation	Endorsement or alternative view
data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend.	
Technical and system standards and privacy and data protections	
Recommendation 1.11: The NSW Government: <ul style="list-style-type: none"> ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts undertake a Privacy Impact Assessment as part of its considerations for the preferred approach for implementing account-based gaming. 	<u>Endorsed, with Amendment</u> AHA NSW submit that the recommendation should be changed to “ensure that the rollout of <u>any</u> account-based gaming
Infrastructure investment	
Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.	<u>Endorsed, with Amendment</u> AHA NSW submit that the recommendation should be changed to “provide advice on the implementation of <u>any</u> account-based gaming.....
Impact on industry and employment	
Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.	<u>Strongly Endorsed – AHA NSW submit that this be the primary recommendation of the Panel.</u> Note: The wording of this recommendation needs to be expanded to include ‘infrastructure investment required’ so that it aligns with the Terms of Reference. The NSW Government were clear in terms of what information was required to make recommendations on account-based gaming. The Panel’s terms of Reference were very specific: a) v) Developing recommendations for Government, <u>taking into consideration infrastructure investments required, impact on employment and industry, impact on gambling harm, options to further reduce gambling harm, and impact on reducing money laundering.</u> The Executive of the Panel were instructed to take into consideration infrastructure investments required, impact on employment and industry & gambling harm. They have not done this, yet they have still made a

Executive Committee recommendation	Endorsement or alternative view
	<p>recommendation.</p> <p>This work should have been completed <u>before</u> the Executive of the Panel made a recommendation. It needs to be completed before the Government makes any decision.</p> <p>As it stands, the Executive of the Panel has made a recommendation without knowing:</p> <ul style="list-style-type: none"> • the infrastructure required • the cost • the impact on industry & employment

Gaming machine operations and trading

Executive Committee recommendation	Alternative view
Gaming machine entitlement trading (LIA & GME leasing scheme)	
<p>Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.</p>	<p><u>Not Endorsed</u></p> <p>AHA NSW do not support changes to the Local Impact Assessment Scheme.</p> <p>Unfortunately the Panel did not have an understanding of how the LIA scheme works.</p> <p>The LIA Scheme has been reviewed twice in the past eight years. After significant changes in 2018 and a review of the scheme in 2021, it is now more transparent and more easily understood than at any time since it commenced over twenty years ago.</p> <p>The basis of the scheme is that it allows the trading and forfeiture of gaming machines, but that additional gaming machines are not permitted to move into low socio-economic areas. The AHA NSW continues to support this approach.</p>
<p>Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions:</p> <ul style="list-style-type: none"> • ensure the lease agreement prices are reasonable with reference to market rates • ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances • require the scheme to be subject to forfeiture. 	<p><u>Not Endorsed</u></p> <p>The recommendation to require the Gaming Machine Entitlement leasing scheme to be subject to forfeiture is not supported. AHA NSW have serious concerns that this change would make leasing uneconomic, leading to the failure of the scheme.</p> <p>The most significant negative impact will be on country & regional hotels who rely on leasing as an important source of their income.</p> <p>Leasing arrangements were intended to give small hotels and clubs the ability to retain the GME asset to satisfy banks and financial institutions – as per the Second Reading Speech given by Minister Paul Toole:</p>

Executive Committee recommendation	Alternative view
	<p><i>The proposed leasing scheme set out in the Gaming Machines Amendment (Leasing and Assessment) Bill 2018 will not include any forfeiture requirement. However, the Government is confident that a reinvigorated local impact assessment scheme, a tightly defined eligibility cap on lessee venues, and a new Responsible Gambling Fund levy on all leases will ensure that gambling-related harms continue to be effectively managed by the Act.</i></p> <p>Placing forfeiture requirements on GME lease agreements will undermine the original intention of the scheme. It is highly unlikely that any GME will be leased out for any period of time if they are subject to forfeiture – resulting in no or very limited overall reduction of operation</p> <p>A number of city & inner west hotels are able to operate ‘pokie free’ by leasing out their machines, while still retaining the gaming entitlement asset. An end to leasing would mean the return of gaming machines to these city & inner west venues.</p>
Reducing the number of gaming machine entitlements (forfeiture and buy-backs)	
<p>Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.</p>	<p><u>Not Endorsed</u></p> <p>AHA NSW submit a recommendation regarding changed forfeiture requirements should reflect the NSW Government election commitment to change forfeiture rates from 1 in 3 to 1 in 2.</p>
<p>Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement a scheme, it should:</p> <ul style="list-style-type: none"> • be voluntary and open to NSW clubs and hotels • be simple and transparent • target the existing commitment of 2,000 GMEs over five years • be priced at \$30,000 for a gaming machine entitlement • be used to assist and incentivise venues to implement account-based gaming. 	<p><u>Endorsed</u></p> <p>We note this is likely to be relevant to clubs, not hotels.</p>
Gaming machine operating hours	
<p>Recommendation 2.5: The NSW Government:</p> <ul style="list-style-type: none"> • retain the minimum six-hour shutdown period, commencing no later than 4am • repeal all existing variations, allowing a transition period for venues <p>If the NSW Government chooses to implement a new hardship variation it should be time-limited with very stringent criteria</p>	<p><u>Not Endorsed</u></p> <p>Changes to the operating hours of gaming machines do nothing to change the behaviour of people at risk of gambling harm, other than the time in which they will experience that harm.</p> <p>If the overall aim is to reduce harm, then the focus should not be on the availability of gaming</p>

Executive Committee recommendation	Alternative view
and still provide for a continuous six-hour shutdown period.	<p>machines, but on ensuring that those at risk of or experiencing harm are prevented from accessing them at any time of day.</p> <p>AHA NSW recommend:</p> <ol style="list-style-type: none"> 1. Prior to any changes or recommendations being made, L&GNSW perform a thorough audit to ensure that the information used to make decisions is accurate and complete; and 2. Prior to any changes or recommendations being made, L&GNSW consult with venues likely to be impacted by any changes to current shutdown exemptions. 3. Allow a time-limited scheme for venues in genuine short-term financial distress. 4. Venues with a tourism/entertainment shutdown variation be periodically required to provide evidence that their variation remains relevant to the venue. 5. The early opener shutdown variations remain in place with a periodic review requiring the venue to provide evidence that the variation remains fit for purpose.
Reducing the cash input limit on older gaming machines	
Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.	<p><u>Partially Endorsed</u></p> <p>It is noted that all new machines purchased and installed in NSW have a \$500 cash input limit. Over the past year this has successfully resulted in the replacement of old \$5,000 cash input limit machines.</p> <p>Due to the exorbitant cost involved in modifying existing gaming machines, a mandatory \$500 cash input limit should only be introduced when two-way protocol is in operation in NSW. Under a 2-way protocol this change in the cash input limit can be made without requiring expensive physical modification of all machines.</p>

Harm minimisation measures

Executive Committee recommendation	Alternative view
Loyalty programs	
Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.	<p><u>Not Endorsed</u></p> <p>This is not considered to be a priority, and should only be considered after the outstanding NSW Government pre-election commitments have been implemented.</p>
Community awareness and outreach	
Recommendation 3.2: The NSW Government consider: <ul style="list-style-type: none"> • implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates 	<p><u>Endorsed</u></p>

Executive Committee recommendation	Alternative view
<p>outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome</p> <ul style="list-style-type: none"> • increasing community outreach as part of GambleAware • supporting financial literacy school programs • ensuring the statewide register effectively complements support services. 	
Gambling harm minimisation research	
Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.	<u>Endorsed</u>
Gaming machine features	
Recommendation 3.4: The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the GMNS at a State level.	<p><u>Not Endorsed</u></p> <p>AHA NSW does not support the NSW Government pursuing amendments to the GMNS at a State level.</p>
Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per spin with other states and move toward a nationally consistent approach.	<p><u>Not Endorsed</u></p> <p>To change the maximum bet limit in NSW will require all machines to be upgraded or replaced, potentially costing over \$1 billion.</p> <p>Unfortunately the Executive of the Panel have not considered the cost to industry or the infrastructure required.</p> <p>No consideration should be given to this issue until the infrastructure requirements and costs are known, or NSW has a 2-way protocol in place.</p> <p>In NSW the maximum bet limit of \$10 was introduced for all gaming machines manufactured after 1 July, 1987.</p> <p>The value of this maximum bet has not been indexed to rise with inflation – if that was the case, the same maximum bet would be worth \$29.16, which means that maximum bets in NSW are worth 65% less today in real terms.</p> <p>The value of the maximum bet in NSW in real terms will continue to fall over time.</p> <p>A change to maximum bet limits will impose enormous cost on industry due to the fact we operate under 1 way protocol – this is different to other Australian States.</p> <p>There is no nationally consistent approach to</p>

Executive Committee recommendation	Alternative view
	<p>maximum bets, and the benefits of changing the NSW maximum bet are questionable.</p> <p>Due to lack of research, the Productivity Commission was uncertain about the correct bet limit, stating that “It is not possible to determine the most appropriate bet limit exactly” (Productivity Commission, Gambling, Inquiry Report, February 2010, Volume 1 p 11.21).</p> <p>The Productivity Commission recognised implementation of a change in maximum bets may be “as high as several thousand dollars per EGM” as many machines would require extensive modification or replacement.</p> <p>The Productivity Commission went on to report:</p> <p><i>“However immediately implementing a much lower maximum bet limit for all existing gaming machines would not be feasible for regulators and gaming machine manufacturers, and not cost effective for venues:</i></p> <ul style="list-style-type: none"> <i>• Given current technologies, many existing EGMs would need to be replaced and others retrofitted with new software/hardware..... However, the early retirement (or significant upgrading) of newer machines would be expensive.</i> <i>• There is only a limited capacity for gaming machine manufacturers to re-design existing games to be compatible with such a bet limit. (The lower the new bet limit and the higher the denomination of the machine, the more likely it is that the game would have to be completely redesigned, rather than just having some of its parameters adjusted.)</i> <i>• Regulatory approval for new games takes considerable time (Productivity Commission Draft Report: Gambling October 2009 p 11.29).</i>
Gaming machine advertising	
<p>Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.</p>	<p><u>Endorsed</u></p>

Legislative reform

Executive Committee recommendation	Alternative view
<p>Recommendation 4.1: The NSW Government</p>	<p><u>Endorsed in Principle</u></p>

Executive Committee recommendation	Alternative view
modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.	<p>While AHA NSW support a modernisation of the <i>language</i> used in the legislative framework, we do not support a <i>public health approach</i> to gambling.</p> <p>It is essential that the object of the Gaming Machine Act that aims to “facilitate the development, in the public interest, of the gaming industry” is not compromised through <u>a public health approach that views all money spent on gambling as harm related</u>.</p>
Recommendation 4.2: The NSW Government conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.	<u>Endorsed</u>
Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to: <ul style="list-style-type: none"> • ensure that the gaming legislative framework is modern and remains fit for purpose • review the penalty provisions to ensure they remain appropriate • review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility. 	<u>Endorsed</u>

Allocation of funding

Executive Committee recommendation	Alternative view
Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives: <ul style="list-style-type: none"> • the implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements • the development and implementation of the statewide exclusion register, with ongoing maintenance to be industry funded • system-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded. 	<p><u>Partly Endorsed</u></p> <p>Now that we are aware the Executive of the Panel are recommending the NSW Government undertake additional analysis on information required in the Terms of Reference, including the impact on industry & revenue, as part of any decision on account-based gaming, this should be funded from the \$100 million fund.</p> <p>As noted in response 1.2, a clear way to determine the impact of account-based gaming on industry & employment is to actually trial account-based gaming.</p> <p>If this trial is undertaken it should be funded from the \$100 million fund.</p>
Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify: <ul style="list-style-type: none"> • how additional funds can be directed to fund support services and independent gambling research • potential alternative funding sources for 	<p><u>Not Endorsed</u></p> <p>AHA NSW supports an independent review of the Responsible Gambling Fund to ensure that programs and research produced under the current funding arrangements are effective and well-targeted.</p>

Executive Committee recommendation	Alternative view
the RGF.	There should also be a review of the effectiveness of past RGF programs.
Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.	Endorsed We note this is likely to be relevant to clubs, not hotels.

Sequencing of Roadmap reforms

Executive Committee recommendation	Alternative view
2024: <ul style="list-style-type: none"> Allow trial participants to adopt account-based gaming NSW Government determine timeframes for: <ul style="list-style-type: none"> Working with the Responsible Gambling Fund on increasing community outreach as part of GambleAware, supporting financial literacy school programs, identifying how additional funds can be directed to fund support services and independent gambling research, and identifying alternative funding sources Considering alignment of the maximum bet amount with other jurisdictions Evaluating the Roadmap reforms. 	Not Endorsed <p>The suggested timeframes imply that the Panel has established the evidence base for a mandatory, statewide rollout of account-based gaming.</p> <p>This is not the case. The trial has not generated the necessary information for the Panel to make informed recommendations in relation to account-based gaming.</p> <p>AHA NSW strongly recommends that recommendations on timeframes for account-based gaming are limited to Rec 1.13:</p>
2025: <ul style="list-style-type: none"> Amend legislation to enable voluntary adoption of account-based gaming Establish account-based gaming Implementation Committee Complete analysis regarding impact on industry (including employment and revenue) and the social costs of gambling. Commission research/advice/consumer testing on account-based gaming design Commence procurement and/or build of account-based gaming system Amend legislation to simplify the Local Impact Assessment process and increase transparency Amend legislation to revise the GME leasing scheme to be subject to forfeiture, ensure only venues that are trading utilise the scheme & that lease agreement prices are reasonable Amend legislation to simplify forfeiture and exemptions to help reduce the number of GMEs in NSW Amend legislation to revise operating hour variation application criteria and repeal all existing gaming machine operating hour variations Amend legislation to implement mandatory outcomes calculation signage 	2025 <ul style="list-style-type: none"> The NSW Government undertake the necessary work to complete additional analysis as part of any decision on account-based gaming regarding infrastructure investment required, cost, impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling. <p>This will give the Government the information it originally requested in the Terms of Reference and allow it to make an informed decision on gambling in NSW.</p> <p>In relation to other timeframes, many of these recommendations are not supported by AHA NSW (see above). As such, the associated timeframes are not supported.</p> <p>More broadly, these suggested timeframes have been set without understating of the technology to be implemented, the infrastructure required, the cost, the impact on industry and the impact on employment.</p> <p>The timeframes do not into account other</p>

Executive Committee recommendation	Alternative view
<ul style="list-style-type: none"> • Modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling. 	<p>election commitments from the NSW Government that will take significant time and resources to implement, such as:</p> <ul style="list-style-type: none"> • The statewide exclusion register • Third Party Exclusion • Changing forfeiture rates from 1 in 3 to 1 in 2 • Facial recognition
<p>2026:</p> <ul style="list-style-type: none"> • Allow venues to voluntarily adopt venue-based account-based gaming • Introduce a buy-back scheme (if implemented) • Review loyalty programs. 	
<p>2027:</p> <ul style="list-style-type: none"> • Launch the centralised account-based gaming system. 	
<p>2028:</p> <ul style="list-style-type: none"> • Mandate account-based gaming statewide • Reduce all cash input limits to \$500 • Undertake a statutory review of the Gaming Machine Act. 	

ClubsNSW - General comments:

The Panel's terms of reference included:

- (a) Providing advice on the 12-month cashless gaming trials in NSW hotels and clubs, including:*
 - i. Finalising a framework for the trial covering processes and assessment criteria*
 - ii. Recommending venues to participate in the trial, with a mix of hotels and clubs across metro areas of highest use, other metro areas, and regional areas*
 - iii. Approving updates as requested to the Minister for Gaming and Racing on progress and early findings*
 - iv. Reviewing research findings of the trial*
 - v. Developing recommendations for Government, taking into consideration infrastructure investments required, impact on employment and industry, impact on gambling harm, options to further reduce gambling harm, and impact on reducing money laundering.*
- b) Providing advice to inform a gaming reform implementation roadmap by November 2024 detailing:*
 - i. Principles governing the development and implementation of further gaming reform in NSW, and the critical considerations for communities, law enforcement, harm minimisation, anti-money laundering and the industry*
 - ii. milestones for the possible delivery of mandatory gaming reform in all NSW hotels and clubs, provided the research findings of the trial support this objective*
 - iii. the recommended technical and system standards and privacy and data protections that should be adopted by Government*
 - i. further measures arising from the trial of cashless gaming that should be taken in consideration to stop money laundering, minimise the harm caused by EGM gaming to individuals and community, and support the ongoing economic sustainability of the sector and the maintenance of jobs, with a particular focus on smaller venues, regional venues, and border town venues.*
- c) Making recommendations on the use of the \$100 million harm minimisation fund, which will help:*
 - i. facilitate the 12-month cashless trial*
 - ii. implement recommendations from the trial*
 - iii. reduce gaming machine entitlements; and*
 - iv. fund harm minimisation programs.*

The Panel was to make recommendations about account-based gaming (and other reforms) after considering the infrastructure investment required, the impact on industry and the impact on employment. We are concerned that the Executive Committee's report will give the Government and other stakeholders a misleading impression that the recommendations have been informed by robust evidence and analysis.

The Executive Committee has put forward recommendations that are not supported by proper analysis or the required modelling. Prior to any decision to continue the trial and/or implement mandatory account-based gaming or any other gaming reform, proper economic modelling and analysis must be completed on the trial to explore the feasibility and acceptability of implementing "cashless" (account-based) gaming, and to gain insights from technology on reducing harm, impacts on industry, infrastructure and cost; overall user experience and perceptions of technology. It is concerning that the Executive Committee has recommend mandatory account-based play when only voluntary account-based play was trialled, and in absence of an assessment of the impact on industry and employment, per the Panel's terms of reference.

As noted, the Terms of Reference require the Panel to advise on milestones informed by "the research findings of the trial" (cashless trial). A proper and detailed review of the cashless trial must be completed. The trial did not generate any meaningful data to support the Executive Committee's

recommendations.

The Executive Committee has relied on a “research report” completed by 3Arc which was based on very limited data, partly due to the limitations with the cashless trial. The report puts forward findings and recommendations not supported by evidence, particularly the recommendation to mandate the introduction of account-based gaming. For example, the 3Arc report consists of a survey of only two players and an interview of one player. Further, the players surveyed did not use the mandatory account-based technology recommended. The researcher has produced a 214 page Report by including the personal opinions of 70 industry, venue staff and gambling harm advisors, and fifteen patrons who did not want to use the technology. This is not evidenced based.

In addition, despite significantly low uptake and no economic modelling, the Executive Committee has failed to recognise the serious risk of a substantial adverse impact on industry, venue revenue (gaming and indirectly on food and beverage) and, consequently, on employment, if account-based gaming is mandated. The Panel did not conduct an assessment of implementation costs, timeframes and the potential impact on industry before making its recommendations. This assessment is key to properly considering the impact of the proposed reforms.

With only 14 genuine and active users participating in the trial, such a low adoption should necessitate a cautious, measured, voluntary approach to implementation of account-based gaming, rather than a short timeframe for a statewide, mandatory rollout. Both The Star and Crown casino have struggled over several years to implement this technology, experiencing significant costs, loss of revenue and material reduction in employment. To expect a small regional club to implement this technology in the same timeframe is simply not feasible. For example, Crown slashed over 1,000 jobs after introducing mandatory account-based play in Melbourne.

The economic and societal impact if similar job losses were to be experienced across the industry is likely to far outweigh the marginal reduction in gambling harm and money laundering that account-based play for gaming machines might bring about, noting that the 3Arc report also does not provide any evidence as to whether a reduction in gambling harm or a reduction in money laundering is a likely outcome of a mandatory account-based gaming approach.

The Executive Committee’s recommendations could result in tens of thousands of job losses and venue closures right across NSW. The impact of all recommendations on the livelihoods and wellbeing of the tens of thousands of people who work in pubs or clubs or provide goods and services to those venues must be properly considered and measured, as was intended when the Government established the Panel’s Terms of Reference.

In addition, the costs and logistics of rolling out technology to over 90,000 gaming machines in over 2,500 venues should not be underestimated. There is a need for proper consideration of the infrastructure and investment required to implement many of these reforms.

Over the last two years there has been significant gambling reform in NSW, including:

- A reduction in cash input limits from \$5,000 to \$500
- External gaming signage banned
- Introduction of mandatory ARCG and Board training
- Introduction of gaming plans of management and incident registers
- Introduction of Responsible Gambling Officers
- Introduction of requirements re: location of ATMs
- The cashless gaming trial

In addition the NSW Government has also committed to the following gaming reform:

- A review of the ClubGRANTS scheme
- Reduction in the number of EGMs by 2,000
- 1 in 2 gaming machine forfeiture
- Statewide exclusion, including 3rd party exclusion
- Facial recognition to enhance self-exclusion – ClubsNSW is opposed to the introduction of mandatory facial recognition

At a Commonwealth level there is also significant AML/CTF and Privacy reform which will also impact venues. AUSTRAC has proposed, in the tranche 2 reforms, a reduction in the anonymous cash limit from \$10,000 to \$5,000. AUSTRAC, as the AML/CTF regulator, has the necessary expertise and knowledge to determine what it considers it to be a suitable anonymous cash acceptance limit. These are in addition to other non-gaming NSW Government reforms, such as food and organic recycling, which will result in changes to venues' operating models and additional operating costs.

ClubsNSW has supported many of these changes that have been implemented but the ongoing reform agenda, the licensing decisioning approach by ILGA, and the review of gaming machine shutdown hours, has created significant uncertainty within the industry and is restricting the balanced development of the industry.

The NSW Government's harm minimisation reform commitments should be prioritised. If, after all these reforms have been implemented and evaluated, a need for further gambling harm minimisation measures is identified, these changes should be considered at that point in time after careful consideration of industry and employment impacts.

Account-based gaming

Executive Committee recommendation	Endorsement or alternative view
Principles	
<p>Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this.</p>	<p>Not Endorsed</p> <p>Refer to our comments in the "General" section above regarding proper economic modelling and the 3Arc report.</p> <p>In addition to proper analysis and economic modelling of account-based gaming, there is a need for holistic and phased approach to <u>all proposed</u> gaming reform (inclusive of state and Commonwealth). Venues need to have certainty about all gaming reform that is proposed, including its potential impacts, cost, specific requirements, timeframes, and the subsequent impact on industry and employment.</p> <p>Any individual gaming reform, particularly if changes to gaming machine technology are required, cannot be considered in isolation given the cost, and availability, of gaming machines that can support any technology upgrades.</p>
<p>Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should:</p> <ul style="list-style-type: none"> consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready determine the approach for the mandatory implementation of a statewide account-based gaming system, including appropriate considerations for border towns. 	<p>Not Endorsed</p> <p>Refer to comments in "General" section above.</p> <p>Mandatory account-based gaming was not trialed or assessed in any venue, as such there is no basis for this recommendation.</p> <p>This recommendation stems from an erroneous, unfounded assumption that the trial had minimal participation (of just 14 genuine and active users) because it was voluntary, and patrons had the option of continuing to use cash. This assumption does not reflect that consumers are broadly transitioning away from cash and widely adopt other digital payment technologies voluntarily. An alternative, more reasonable, observation is that adoption was low because the technology is cumbersome and not user-friendly, due to a</p>

Executive Committee recommendation	Endorsement or alternative view
	<p>myriad of minimum standards being imposed, and further, that trial participants (and potential participants) held genuine concerns about cyber security, data and privacy. If this observation is, in fact, correct, a statewide, mandatory implementation of similar technologies will be rejected by consumers, which will devastate the industry and have a material impact on</p>
<p>Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.</p>	<p>Not Endorsed</p> <p>Refer to our comments in “General”.</p> <p>If a proper assessment of the impact of account-based gaming is in fact conducted in the future (as per our recommendation), these insights should inform the roadmap and industry stakeholders should have the opportunity to consider these findings. In addition, AUSTRAC has not been consulted on this proposal. Given AML/CTF policy is the responsibility of the Commonwealth, any recommendation should be considered by AUSTRAC in conjunction with the Tranche 2 reforms.</p>
<p>Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).</p>	<p>Not Endorsed</p> <p>ClubsNSW considers there is no basis for, or evidence to support, the assertion in the Paper that an appropriate daily cash limit in pubs and clubs should be set lower than casinos because the latter are destination-gambling venues.</p> <p>AUSTRAC has already formed the view that there should be a \$5,000 cap on anonymous cash, which is reflected in the Tranche 2 reforms currently before Parliament. There is no basis for the NSW Government to propose anything different on the basis of potential AML/CTF concerns. ClubsNSW does not support setting a threshold that is different to the \$5,000 cash threshold proposed for the AML/CTF Act.</p>
<p>Recommendation 1.5: An account-based gaming system should include opt-out default non-binding spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.</p>	<p>Not Endorsed</p> <p>There is no evidence from the trial that supports this recommendation.</p> <p>ClubsNSW supports players having a suite of tools available to help them manage their gambling, including the ability to voluntarily set deposit, spend or time limits.</p> <p>However, the benefits of default spending limits as a harm minimisation tool are not well established in the Australian context. The personal circumstances of gaming machine players vary so widely that default limits will be meaningless or potentially harmful (i.e. default limits will be too high for some individuals).</p>

Executive Committee recommendation	Endorsement or alternative view
<p>Recommendation 1.6: An account-based gaming system should reduce the threshold for paying out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.</p>	<p>Not Endorsed</p> <p>It is not clear from the paper what evidence is being relied on to make this recommendation or what this recommendation is intended to achieve.</p> <p>Lowering the cash limit is not a harm minimisation measure, nor will it prevent money-laundering.</p> <p>AUSTRAC has already proposed a reduction on anonymous cash to \$5,000 and there is no basis for the state government to propose anything different on the basis of potential AML/CTF concerns. Additionally, there is no evidence to suggest this would address harm minimisation concerns.</p>
<p>Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.</p>	<p>Not Endorsed</p> <p>Refer to our comments in “General”.</p> <p>ClubsNSW supports the statewide exclusion register but is opposed to introducing mandatory facial recognition technology for clubs. ClubsNSW’s position is that the introduction of facial recognition should be risk based.</p> <p>Proper consideration must be given to the privacy and cyber impacts of having systems which contain personal information including biometric data and financial information across a large number of small venues.</p> <p>Any proposal to link these systems also requires a detailed technology and cost analysis to inform any decision. This economic modelling has not been done.</p>
<p>Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.</p>	<p>Not Endorsed</p> <p>Refer to our comments in “General”.</p> <p>Support in principle. However, any data provided to the NSW Government or regulator for analysis should be de-identified to protect individuals.</p> <p>Further specific technical detail is also required to consider this properly.</p>
<p>Recommendation 1.9: An account-based gaming system should be evaluated as part of the broader reforms evaluation.</p>	<p>Endorse with Amendment</p> <p>Change “an” to “any”. There must be a proper evaluation of any proposed reform, including account-based gaming.</p> <p>However, prior to the implementation of account-based gaming it will be critical that a</p>

Executive Committee recommendation	Endorsement or alternative view
	detailed review of the cashless trial is completed. The report completed by 3Arc was based on very limited data, partly due to the limitations with the cashless trial. The report puts forward findings and recommendations which are assertions made by panel members with vested interests in the outcome and are not evidence-based.
Considerations for design and build of an account-based gaming system	
<p>Recommendation 1.10: The NSW Government ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine:</p> <ul style="list-style-type: none"> the most appropriate terminology for ‘account-based gaming’ from a customer perspective the most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools the most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate with regular players to enhance meaningful engagement with deposit limits the most effective ways to leverage data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend. 	<p>Partially Endorsed</p> <p>ClubsNSW supports research into the effectiveness of breaks in play and the cost of implementing this. However, prior to the commissioning of any further research, existing available research should be comprehensively considered, such as the impact and effectiveness of the NSW Government’s recent harm minimisation reforms.</p>
Technical and system standards and privacy and data protections	
<p>Recommendation 1.11: The NSW Government:</p> <ul style="list-style-type: none"> ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts undertake a Privacy Impact Assessment as part of its considerations for the preferred approach for implementing account-based gaming. 	<p>Endorsed with Amendment</p> <p>This recommendation should be amended to “ensure that the rollout of <u>any</u> account- based gaming ...”</p>
Infrastructure investment	
<p>Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.</p>	<p>Endorsed with Amendment</p> <p>This recommendation should be amended to “provide advice on the implementation of <u>any</u> account-based gaming ...”</p>
Impact on industry and employment	

Executive Committee recommendation	Endorsement or alternative view
Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.	<p>Strongly Endorse</p> <p>We refer to our comments in “General” section. This recommendation must be completed prior to making any decision about account-based gaming.</p> <p>The wording of this should align with the Terms of Reference to include “infrastructure investment required”.</p>

Gaming machine operations and trading

Executive Committee recommendation	Alternative view
Gaming machine entitlement trading (LIA & GME leasing scheme)	
Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.	<p>Not Endorsed</p> <p>The LIA Scheme has undergone two reviews since 2018. The Scheme is transparent and able to be easily understood. Further amendments will only result in exacerbation of existing industry uncertainty.</p>
<p>Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions:</p> <ul style="list-style-type: none"> • ensure the lease agreement prices are reasonable with reference to market rates • ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances • require the scheme to be subject to forfeiture. 	<p>Not Endorsed</p> <p>ClubsNSW supports retaining the leasing scheme but does not support the proposed revisions.</p> <p>ClubsNSW does not support changes to the forfeiture rates for leasing or transfer of gaming machines on the basis that the Panel determined that the buy-back scheme had limited harm minimisation benefit. Therefore, the same rationale applies to changes to the forfeiture scheme, noting that subjecting the leasing scheme to forfeiture would only have a lesser impact on the total number of gaming machines than the proposed buy-back scheme.</p> <p>ClubsNSW does not support the proposed revision that a GME leasing scheme be only available for venues that are actively trading. In some circumstances venues will seek to relocate to another site or may lease machines when they have suffered floods or fires and their venues are out of commission. The process to do this is complex and costly and can often require the venue to cease trading and for the licence to be made dormant for a period of time.</p>
Reducing the number of gaming machine entitlements (forfeiture and buy-backs)	
Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.	<p>Not Endorsed</p> <p>ClubsNSW supports the current NSW Government’s commitment to the introduction of an increase in the forfeiture rate from 1 in 3 to 1 in 2. This needs to be properly implemented and its effectiveness reviewed after a suitable period of time. Until then, no further changes to the forfeiture scheme,</p>

Executive Committee recommendation	Alternative view
	<p>including reviewing the requirements or exemptions, should be made.</p> <p>It will also be critical that ILGA properly consider all the objects of the legislation when determining gaming machine applications, including GME transfer applications, specifically:</p> <ul style="list-style-type: none"> ▪ <i>minimising harm associated with the misuse and abuse of liquor and gambling activities; and</i> ▪ facilitating the balanced development, in the public interest, of the: <ul style="list-style-type: none"> ▪ <i>liquor industry,</i> ▪ <i>gaming industry, and</i> ▪ <i>the live music, entertainment, tourism and hospitality industries.</i> ▪ <i>ILGA must consider that the sale and supply of liquor is legal, subject to the gaming and liquor legislation.</i> ▪ <i>ILGA must consider that the operation of gaming machines in NSW is legal, subject to the gaming and liquor legislation.</i> ▪ <i>ILGA must consider that matters of policy relating to the gaming and liquor legislation are to be set by the Government. ILGA must consider Government policy in the exercise of its functions.</i> ▪ <i>ILGA must assess each application on its merits and not apply blanket conditions except where it is specified in legislation.</i> <p>ILGA, as the statutory decision maker, has publicly stated that it is only focused only on minimising harm as its primary objective, and as a result have made decisions which have a significant impact on a venue's operating model without proper regard for facilitating the balanced development of the industry. As a result, GME transfer applications, which would trigger a forfeiture, have not been lodged given the risk to a venue's operating model.</p>
<p>Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement a scheme, it should:</p> <ul style="list-style-type: none"> • be voluntary and open to NSW clubs and hotels • be simple and transparent • target the existing commitment of 2,000 GMEs over five years • be priced at \$30,000 for a gaming machine entitlement • be used to assist and incentivise venues to implement account-based gaming. 	<p>Endorsed</p> <p>It is ClubsNSW's position that the NSW Government committed to a buy-back scheme for GMEs in NSW as part of a broad suite of election commitments pertaining to harm minimisation initiatives, and that part of the \$100 million penalty from The Star should be used for that purpose.</p>

Executive Committee recommendation	Alternative view
Gaming machine operating hours	
<p>Recommendation 2.5: The NSW Government:</p> <ul style="list-style-type: none"> retain the minimum six-hour shutdown period, commencing no later than 4am repeal all existing variations, allowing a transition period for venues <p>If the NSW Government chooses to implement a new hardship variation it should be time-limited with very stringent criteria and still provide for a continuous six-hour shutdown period.</p>	<p>Not Endorsed</p> <p>Prior to any consideration of this recommendation, further detailed analysis is required to understand how many venues are impacted, as it appears the data in respect of gaming machine shutdown variations is not current or accurate.</p> <p>Any future changes to the shutdown scheme must involve consultation with relevant venues to understand the impact on their business, including staffing and employment. Future changes must also be phased in a way that allows venues sufficient time to adjust their operating model including staffing.</p> <p>In addition, there are significant limitations with the research that was relied on to support this recommendation (the 2019 Snapcracker report and the 2023 Roy Morgan report). For example, the NSW Government's 2019 Gambling Survey surveyed more than 10,000 people whereas the Snapcracker report included only 312 people in its survey and the Roy Morgan report surveyed on 625 people.)</p>
Reducing the cash input limit on older gaming machines	
<p>Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.</p>	<p>Not Endorsed</p> <p>The current approach where this limit applies to new gaming machines should continue.</p> <p>Requiring a lower cash input limit to be installed on existing machines will require a significant amount of older machines to be replaced, at significant cost to the venues which are typically smaller. There is no evidence to suggest that this recommendation would reducing gaming harm.</p> <p>AUSTRAC has already proposed a reduction on anonymous cash to \$5,000 as part of its Tranche 2 reforms and there is no basis for the NSW Government to propose anything different on the basis of potential AML/CTF concerns</p> <p>It is also unclear whether this measure is being proposed as a harm minimisation or AML/CTF measure as it is not support in any way by the trial findings.</p>

Harm minimisation measures

Executive Committee recommendation	Alternative view
Loyalty programs	
<p>Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the</p>	<p>Not Endorsed</p> <p>There is currently a strong and effective</p>

Executive Committee recommendation	Alternative view
structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.	regulatory framework in place in respect of loyalty programs. This recommendation is well beyond the remit of the Panel and NSW Government election commitments.
Community awareness and outreach	
Recommendation 3.2: The NSW Government consider: <ul style="list-style-type: none"> • implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome • increasing community outreach as part of GambleAware • supporting financial literacy school programs • ensuring the statewide register effectively complements support services. 	Endorsed
Gambling harm minimisation research	
Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.	Endorsed It is critical that evidence/research is coordinated to ensure it is conducted appropriately and avoids duplication.
Gaming machine features	
Recommendation 3.4: The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the GMNS at a State level.	Not Endorsed ClubsNSW does not support pursuing amendments to the GMNS at a State level.
Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per spin with other states and move toward a nationally consistent approach.	Not Endorsed ClubsNSW is not aware of any evidence from any Australian jurisdiction that a reduction in maximum bets from \$10 to \$5 would have any impact on rates or severity of problem gambling. The Panel has not assessed the benefits of this reform from a harm minimisation perspective, nor the cost to implement the changes.
Gaming machine advertising	
Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.	Endorsed in Principle There are strong and effective restrictions in place regarding gaming machine advertising. However, if account-based gaming is introduced venues must a range of options to communicate with their members/customers to encourage sign up to account-based gaming, consistent with the approach that was developed during the trial.

Legislative reform

Executive Committee recommendation	Alternative view
<p>Recommendation 4.1: The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.</p>	<p>Endorsed in Principle</p> <p>ClubsNSW is supportive of a regulatory framework that is robust, modern and relevant and has sufficient flexibility to support this. ClubsNSW supports modernisation of terminology (e.g. Removing outdated terms such as problem gambler), but does not support adopting a public health approach to gambling.</p> <p>The object to “facilitate the balanced development, in the public interest, of the gaming industry” must be retained to ensure there is a balanced approach to both a sustainable industry and minimising gambling harm.</p>
<p>Recommendation 4.2: The NSW Government conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.</p>	<p>Endorsed</p>
<p>Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to:</p> <ul style="list-style-type: none"> • ensure that the gaming legislative framework is modern and remains fit for purpose • review the penalty provisions to ensure they remain appropriate • review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility. 	<p>Endorsed</p>

Allocation of funding

Executive Committee recommendation	Alternative view
<p>Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives:</p> <ul style="list-style-type: none"> • the implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements • the development and implementation of the statewide exclusion register, with ongoing maintenance to be industry funded • system-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded. 	<p>Partly Endorsed</p> <p>While ClubsNSW supports the Harm Minimisation Fund being used on the implementation of account-based gaming, we do not support the introduction of mandatory facial recognition technology, and consider that industry should fund the costs of facial recognition installation on a risk based approach, noting that Clubs in NSW have mandatory sign in at entry which has proven to be an effective mechanism to enforce self-exclusion.</p> <p>In order to properly assess the impact on industry and employment of account-based gaming a trial would be required in a nominated area. The \$100m Harm Minimisation fund could be used to fund the costs of the trial and offer</p>

Executive Committee recommendation	Alternative view
<p>Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify:</p> <ul style="list-style-type: none"> • how additional funds can be directed to fund support services and independent gambling research • potential alternative funding sources for the RGF. 	<p>compensation to the venues participating.</p> <p>Not Endorsed</p> <p>ClubsNSW does not support this recommendation as drafted as it assumes an automatic support of increased/additional funding. RGF funding is opaque and has changed markedly in recent years (with the introduction of the POCT and use of LIA payments from EGM applications being put to RGF activities). Outcomes are not well reported, with no clear reporting of the proportion of funding put toward programs and interventions versus that put to research. This has not been assisted by the inclusion of RGF in consolidated departmental annual reports. These elements should be reviewed in full.</p> <p>To assist, Clubs NSW suggests the recommended be redrafted as follows:</p> <p><i>The NSW Government direct Hospitality & Racing to undertake a comprehensive review of</i></p> <ul style="list-style-type: none"> - <i>funding of the RGF</i> - <i>expenditure of the RGF on gambling problems</i> - <i>expenditure of the RGF on research</i> - <i>outcomes achieved by the RGF over the past 10 years.</i>
<p>Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.</p>	<p>Do not support</p> <p>ClubsNSW submits the NSW Government has committed to a buy-back scheme for GME in NSW, and that part of the \$100 million Harm Minimisation Fund should be earmarked for that purpose.</p>

Sequencing of Roadmap reforms

General comments:

ClubsNSW does not believe the timeframes set out below are sufficient, realistic or achievable, particularly the 12-months to be able to design and procure the Central System. We note it took several years for Government's complete similar projects such as the Centralised Monitoring System and Bet Stop.

Executive Committee recommendation	Alternative view
<p>2024:</p> <ul style="list-style-type: none"> • Allow trial participants to adopt account-based gaming • NSW Government determine timeframes for: <ul style="list-style-type: none"> ◦ Working with the Responsible Gambling Fund on increasing community outreach as part of GambleAware, supporting financial literacy school programs, identifying how additional funds can be directed to fund support services and independent gambling research, and 	<p>Not Endorsed</p> <p>We refer to our comments in "General".</p> <p>As noted earlier, the recommendation to mandate account-based gaming statewide by 2028 is not based on robust evidence and analysis, despite the Panel being obligated to consider whether the research findings support this measure and any milestones. The low adoption of the trial technologies suggests that implementing a</p>

Executive Committee recommendation	Alternative view
<ul style="list-style-type: none"> identifying alternative funding sources <ul style="list-style-type: none"> Considering alignment of the maximum bet amount with other jurisdictions Evaluating the Roadmap reforms. 	<p>mandatory statewide rollout – particularly over such a short timeframe – will similarly be rejected by consumers, which will devastate industry and create mass job losses.</p>
<p>2025:</p> <ul style="list-style-type: none"> Amend legislation to enable voluntary adoption of account-based gaming Establish account-based gaming Implementation Committee Complete analysis regarding impact on industry (including employment and revenue) and the social costs of gambling. Commission research/advice/consumer testing on account-based gaming design Commence procurement and/or build of account-based gaming system Amend legislation to simplify the Local Impact Assessment process and increase transparency Amend legislation to revise the GME leasing scheme to be subject to forfeiture, ensure only venues that are trading utilise the scheme & that lease agreement prices are reasonable Amend legislation to simplify forfeiture and exemptions to help reduce the number of GMEs in NSW Amend legislation to revise operating hour variation application criteria and repeal all existing gaming machine operating hour variations Amend legislation to implement mandatory outcomes calculation signage Modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling. 	<p>Any reform cannot be considered in isolation – there is a need for a detailed gaming reform map which considers all proposed reform (state and Commonwealth) holistically and provide further, granular detail, including the economic impacts prior to determining when those reforms will be implemented.</p> <p>Many clubs have limited financial capacity to install new technology – economic modelling is required to properly assess the impacts (costs and benefits) of the technology prior to its rollout to smaller regional clubs to ascertain the financial support that may be necessary to ensure these clubs remain viable and community assets are protected</p> <p>ClubsNSW does not support changes to the forfeiture rates for leasing or transfer of gaming machines on the basis that the Panel determined that the buy-back scheme had limited harm minimisation benefit, therefore the same rationale applies to changes to the forfeiture scheme, that would only have a less impact on the total number of gaming machines than the proposed buy-back scheme. These should be removed.</p>
<p>2026:</p> <ul style="list-style-type: none"> Allow venues to voluntarily adopt venue-based account-based gaming Introduce a buy-back scheme (if implemented) Review loyalty programs. 	<p>In addition the proposed time frames do not allow sufficient time to develop and implement the reform, particularly the 12-months to be able to design and procure the Central System. ClubsNSW submits that this process will take a minimum of two years. We note it took several years for Government's complete similar projects such as the Centralised Monitoring System and BetStop, and needs to be sequenced after the QCOM 3 implementation has been completed to minimise cost duplication and industry disruption.</p>
<p>2027:</p> <ul style="list-style-type: none"> Launch the centralised account-based gaming system. 	
<p>2028:</p> <ul style="list-style-type: none"> Mandate account-based gaming statewide Reduce all cash input limits to \$500 Undertake a statutory review of the Gaming Machine Act. 	<p>The implementation of the two-way protocol should include a minimum 7 year phase in process.</p>

Gaming Technologies Association (GTA)

Account-based gaming

Executive Committee recommendation	Endorsement or alternative view
Principles	
<p>Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this.</p>	<p>GTA members participated in the Panel's trial in good-will, dedicating significant resources away from business as usual activities to meet stringent deadlines, expending \$25 million in the process.</p> <p><u>Panel Trial</u></p> <p>The Panel's Terms of Reference clearly tasked the Executive with oversight of a 12 month trial, in consultation with the Panel members. The actual time that the trial ran could not, on any reasonable view, be argued to have met this requirement.</p> <p>Notwithstanding this fundamental flaw. GTA's view is that the 3ARC Social report clearly demonstrates the efficacy of the technology delivered as part of this trial, and indeed previous Sandbox Regulatory Trial. We contend that the Panel's trial did not achieve the results it could have for the following reasons:</p> <ul style="list-style-type: none"> - Trial timeline was too short (noting that GTA sought an extension), which meant that the evaluation report is not the required 'proof-point' the NSW Government sought, - The trial requirements were overly onerous: <ul style="list-style-type: none"> o The Panel was not technology agnostic and a failure to allow technology providers to leverage existing card based legacy systems needlessly blew out the timeline and alienated a large segment of participants already utilising carded play or those that do not have a smartphone device. The original proposals submitted by technology providers that included a carded and wallet based solution should have been allowed to have progress. This view is supported by the evaluation report's commentary on low uptake by EGM players during the trial, and overall low willingness of those interviewed to consider adoption of the technology in the future. o The onerous KYC process meant that onboarding took too long by which time users lost interest. This was not due to any failure in the technology itself. GTA is pleased with the recommendation in respect to KYC in the roadmap report.

Executive Committee recommendation	Endorsement or alternative view
	<ul style="list-style-type: none"> ○ The failure to approve a provider of a TITO solution which allowed tickets to be purchased using a debit card, which would have necessarily provided an avenue for cashless play utilising the KYC and AML checks already applied by the card issuing bank or financial institution was a fundamental flaw in the trial. This would have catered to casual players. ○ The inability of the Panel to secure buy-in from key stakeholders (including the banks) limited the ability of the trial to leverage existing KYC mechanisms and on-boarding processes, resulting in an on-boarding process that was not player centric and discouraged participation. <p>Based on the above, GTA strongly advises that the NSW Government engage directly with technology providers, independent technical experts as well as industry on all matters relating to the design and rollout of future digital technologies in venues.</p> <p><u>Centralised Player Database</u></p> <p>GTA supports the concept of a centralised player database for limits and ID verification, however this is highly conditional. There should not be any central funds management or data aggregation beyond limits and ID processes. Page 42 of the roadmap states that each venue solution “would need to be linked to other digital wallet or payment solutions <i>to facilitate settlement of funds.</i>” This is a significant overreach and not supported by any evidence (or indeed discussion by the Panel). Given the already evident reluctance of EGM players to link player accounts directly to banking institutions, this would be highly counter productive and likely to further reduce uptake in any future rollout.</p> <p>GTA recommends that each venue (or venue group/commercial entity) continues to use existing processes to settle funds directly to an individual’s verified bank account, which can then be used to deposit to another venue account, if desired. None of the challenges noted in the principles (6.1.1 of the roadmap) would be addressed by forcing centralised funds settlement, however the improvements to limits management and sign-up/KYC process would still be realised.</p>

Executive Committee recommendation	Endorsement or alternative view
<p>Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should:</p> <ul style="list-style-type: none"> consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready determine the approach for the mandatory implementation of a statewide account-based gaming system, including appropriate considerations for border towns. 	<p>GTA supports a voluntary system, noting that successful transition will take time and proper investment by Government to increase consumer understanding and uptake. All the relevant procurements need to be comprehensively tested and comply with stringent privacy requirements. All stringent requirements including testing, supported by a robust communications campaign by the NSW Government needs to occur with the technology working in field for a period of time in order to test reporting measures, test cybersecurity responses/procedures and redundancy scenarios. Further, the NSW Government once finalising its preferred system design, needs to articulate to venues and users what redundancies are available in the event of any outages relating to telecommunications or necessary central system elements such as the Centralised Player System or self exclusion system.</p> <p><u>Phased approach</u></p> <p>The deployment of a new system must be manageable to encourage venue participation. Given the lack of participation in the trial by patrons, and the subsequent lack of evidence to guide policy design and implementation, there is significant risk. Therefore GTA's considers it sensible to adopt a conservative implementation pathway, with no single "big bang" switchover time. GTA notes that the timeline is ambitious, with significant works required in tasks such as system architecture and design and the procurement of a centralised player database.</p>
<p>Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.</p>	<p>GTA supports this recommendation only if casual players are enabled to play via debit or casual card. This would increase general familiarity with the technology and revised systems, and likely improve consumer appetite to participate, particularly during the early stages of any implementation rollout.</p>
<p>Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).</p>	<p>There are still unresolved complexities associated with complete transition to digital payments. Cash is legal tender and remains a dominant payment form in all consumer settings. The decision of whether or not to retain cash payment forms is a business decision for the venues – and should remain so.</p>
<p>Recommendation 1.5: An account-based gaming system should include opt-out default non-binding spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.</p>	<p>This recommendation fails to acknowledge that "discretionary" spending varies widely across demographics, and what may seem a low limit to some consumers will be perceived as "high" by others. By setting a default limit, the NSW Government will implicitly be declaring its view as to an "appropriate" spend on gaming – which</p>

Executive Committee recommendation	Endorsement or alternative view
	<p>may well be inappropriately high for some players.</p> <p>GTA believes that limit setting should be left up the user if they chose to set them. It is not Government's place to impose arbitrary limits or assume that every user has a problem managing their spend. The design must be player-centric but also effectively mitigate the risk of harm. This could be effectively achieved by providing information at sign-up that assists players to set their individual limits (should this be their desire).</p> <p>In respect of spend and deposit limits, in a mandatory account-based gaming environment, 'Spend' and 'Deposit' are the same thing, therefore there isn't a need to have separate limits. A player's spend decision is made at the point of deposit – whether that is done with cash or EFT is irrelevant. What happens after the deposit (i.e. gaming activity) is what the money is being spent on. It has already left the player's bank account or, in the case of cash, wallet, and is therefore spent.</p> <p>It also simplifies communication to the player in that they set a limit on spend and time.</p>
<p>Recommendation 1.6: An account-based gaming system should reduce the threshold for paying out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.</p>	<p>GTA opposes this recommendation as all transactions are identified. The mandated balance limit of \$5,000 for player accounts already exists and provides a control point to ensure that players are withdrawing winnings over the maximum account balance. Venues will naturally set their own operational limits on cash payouts based on reduced cash holdings within their business.</p>
<p>Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.</p>	<p>GTA recommends account-based gaming (if progressed) be implemented alongside the statewide exclusion initiative, facial recognition technology and a two-way protocol (QCOM).</p> <p>The 'statewide exclusion register' system should provide efficient modern integration interfaces (APIs) to ensure seamless functionality, effective operations, and reduction/elimination of unnecessary infrastructure costs.</p>
<p>Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.</p>	<p>GTA does not support this recommendation as it duplicates existing technology which has already been rolled out at considerable cost. Collection of data is occurring with player account systems today – the requirements around distribution of this data needs to be carefully examined by industry to ensure there is no exacerbation of the existing concerns around privacy, as noted in this section of the roadmap. It also needs to ensure that there are no conflicts with recommendation 1.11 around data privacy.</p> <p>Risk monitoring needs to be properly defined. Who does the responsibility of transaction</p>

Executive Committee recommendation	Endorsement or alternative view
<p>Recommendation 1.9: An account-based gaming system should be evaluated as part of the broader reforms evaluation.</p>	<p>monitoring sit with?</p> <p>GTA supports this recommendation in principle. However, given that the entirety of the reforms may be adopted over a lengthy timeframe, consideration should also be given to evaluating any implementation of account-based gaming as a discrete stream of the reforms, which could then be folded into the broader evaluation once commenced.</p> <p>Further, any evaluation should not merely be an implementation evaluation which necessarily focuses on the steps taken to implement the reform. Consequently, GTA also recommends that the need for comprehensive baseline data, program objectives and outcomes measurement linked to actual harm minimisation.</p>
Considerations for design and build of an account-based gaming system	
<p>Recommendation 1.10: The NSW Government ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine:</p> <ul style="list-style-type: none"> the most appropriate terminology for 'account-based gaming' from a customer perspective the most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools the most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate with regular players to enhance meaningful engagement with deposit limits the most effective ways to leverage data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend. 	<p>GTA supports this recommendation. As part of our Statement of Principles for Account-Based Gaming, GTA argue that the system must be well-designed so that it is player-centric.</p> <p>Further:</p> <ul style="list-style-type: none"> Effective harm minimisation tools should be developed by the technology suppliers against requirements provided by the NSW Government Engagement will be low given the low prevalence of 'at risk gamblers'. Appropriate expectations ought to be set around take up of these features. Noting that while identification of useful data analytics to identify harmful gambling is a great goal, there are commercial (and other Government) enterprises who have attempted to achieve this for many years and have not yet found a reliable solution, so appropriate expectations should be set. The apparent overreach in Government deciding to collate and analyse private data from the entire population in order to mitigate risk to a very small section of the demographic is a significant risk, and was raised as a strong barrier to adoption in the trial. Other forms of addiction are not subject to this type of scrutiny, even where the risk of harm is far greater – for example in 2019 SA Health published a report stating that <i>"The percentage of Australians who consumed alcohol daily remained stable between 2019 (5.4%) and 2022-23 (5.2%). Daily drinking in 2022-23 was higher among men (6.7%) than women (3.7%)."</i> Contrasted with problem gambling, which has remained at approximately 1% of the adult population for many years. (Australian Institute of Family Studies).
Technical and system standards and privacy and data protections	
<p>Recommendation 1.11: The NSW Government:</p>	<p>GTA supports this recommendation.</p>

Executive Committee recommendation	Endorsement or alternative view
<ul style="list-style-type: none"> ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts undertake a Privacy Impact Assessment as part of its considerations for the preferred approach for implementing account-based gaming. 	
Infrastructure investment	
Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.	<p>GTA supports this recommendation, subject to a minor amendment. Implementation will need input from venues, technology specialists, and the regulator who are able to make informed decisions about the practicalities of implementation of the technology in venues.</p> <p>The NSW Government establish an Implementation Committee, comprised of independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.</p>
Impact on industry and employment	
Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.	<p>GTA supports this recommendation in principle. The analysis should be undertaken as NSW Treasury compliant cost-benefit analysis – and demonstrate not only the full costs but the quantified benefits of any decision. With respect to the social cost of gambling, this research is already available through multiple studies over the years, most recently the 2023 study by AGRC <i>Gambling participation and experience of harm in Australia</i> and the NSW 2024 Gambling Survey which is currently under way. There is a multiplicity of government funded research projects currently under way that examine various perspectives of the social cost of gambling, with very little attention directed to the impacts of reforms to industry, employment and other critical factors. GTA suggests that the initial focus of any research in relation to the implementation account-based gaming should be directed toward this largely ignored aspect of the reform agenda in the first instance.</p>

Gaming machine operations and trading

Executive Committee recommendation	Alternative view
Gaming machine entitlement trading (LIA & GME leasing scheme)	
Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.	<p>GTA does not support this recommendation. The current LIA system was most recently amended in 2018 following a comprehensive review. At this time the stated intention was to</p>

Executive Committee recommendation	Alternative view
	improve transparency and predictability of decision making. GTA believes the current system is transparent and easily understood and no valid rationale has been put to demonstrate that there is a need for further reform.
<p>Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions:</p> <ul style="list-style-type: none"> • ensure the lease agreement prices are reasonable with reference to market rates • ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances • require the scheme to be subject to forfeiture. 	
Reducing the number of gaming machine entitlements (forfeiture and buy-backs)	
<p>Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.</p>	
<p>Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement a scheme, it should:</p> <ul style="list-style-type: none"> • be voluntary and open to NSW clubs and hotels • be simple and transparent • target the existing commitment of 2,000 GMEs over five years • be priced at \$30,000 for a gaming machine entitlement • be used to assist and incentivise venues to implement account-based gaming. 	GTA supports this recommendation.
Gaming machine operating hours	
<p>Recommendation 2.5: The NSW Government:</p> <ul style="list-style-type: none"> • retain the minimum six-hour shutdown period, commencing no later than 4am • repeal all existing variations, allowing a transition period for venues <p>If the NSW Government chooses to implement a new hardship variation it should be time-limited with very stringent criteria and still provide for a continuous six-hour shutdown period.</p>	<p>GTA does not support this recommendation for the following reasons:</p> <ul style="list-style-type: none"> - The research provided to the panel (Roy Morgan) was not comprehensive and based on an exceptionally low sample of 625 people. - A recent audit of NSW venues shut-down periods has revealed that Liquor & Gaming NSW is unable to confidently state accurately what variations exist, suggesting that this is a solution to a problem which has not been defined in any meaningful way. - Given the improved information that will be available through the rollout of account-based play, no changes should be made to this system until the real risks of harm can be properly assessed.

Executive Committee recommendation	Alternative view
Reducing the cash input limit on older gaming machines	
Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.	GTA support this recommendation on the basis that it does not commence until two-way protocol or account-based gaming system is fully implemented.

Harm minimisation measures

Executive Committee recommendation	Alternative view
Loyalty programs	
Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.	GTA does not support further review of loyalty programs on principle given the current regulatory framework is more than sufficient. Further, this falls out of the scope of the panel's ToRs as loyalty programs extend beyond gaming play.
Community awareness and outreach	
Recommendation 3.2: The NSW Government consider: <ul style="list-style-type: none"> implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome increasing community outreach as part of GambleAware supporting financial literacy school programs ensuring the statewide register effectively complements support services. 	GTA supports these recommendations, subject to minor amendments. <p>The NSW Government consider:</p> <ul style="list-style-type: none"> implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome prioritising treatment of problem-gambling and increasing community outreach as part of GambleAware supporting financial literacy school programs ensuring the statewide register effectively complements support services.
Gambling harm minimisation research	
Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.	GTA supports these recommendations.
Gaming machine features	
Recommendation 3.4: The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the GMNS at a State level.	GTA opposes this recommendation. The purpose of establishing Gaming Machine National Standards was to ensure that all participants in the Australian market are subject to the same requirements, and it should be left in the purview of the Gaming Machine National Standards Working Party Group. The national system is the correct forum to implement broad-based reforms. If there is insufficient evidence to support reform to the GMNS, this should be dealt with by that Working Group, not through creating a duplication of the framework specific to NSW.
Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per	GTA opposes this recommendation. Reforms of this nature must be evidence based and

Executive Committee recommendation	Alternative view
spin with other states and move toward a nationally consistent approach.	<p>properly considered at a national level through the Gaming Machine National Standards Working Party Group. Further, there is no factual basis that a reduction in maximum bets will impact on problem gambling. Given that the introduction of account based gaming is supposed to mitigate overall harm, GTA believes it would be premature to consider additional steps in advance of account-based play and in the absence of national agreement to the approach.</p> <p>If this were to occur, it will be another cost significant burden on industry. For some games, it will change the game math meaning the machine will have to be replaced all together. Older games will also need to be replaced. For those where a software change is possible, a technician will be required to manually load the software update, which will come at significant expense.</p>
Gaming machine advertising	
Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.	GTA supports this recommendation.

Legislative reform

Executive Committee recommendation	Alternative view
Recommendation 4.1: The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.	<p>GTA does not support this recommendation as written. While modernisation of terminology is not contentious, the adoption of a public health approach to gambling is not a consensus view of panel members. The public health argument has, to date, centred on problem gambling not gambling generally. To assist, the GTA suggests that the recommendation could be re-drafted to say:</p> <p><i>“The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and preventative approach to problem gambling.”</i></p>
Recommendation 4.2: The NSW Government conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.	GTA supports this recommendation and would value participation in the design and execution of this evaluation process.
Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to: <ul style="list-style-type: none"> ensure that the gaming legislative framework is modern and remains fit for purpose review the penalty provisions to ensure they remain appropriate 	GTA supports this recommendation in principle, however is of the view that the timing is challenging given the multiplicity of reforms already on foot. A full statutory review of the legislation is a significant undertaking and could well delay other initiatives recommended in this Roadmap.

Executive Committee recommendation	Alternative view
<ul style="list-style-type: none"> review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility. 	

Allocation of funding

Executive Committee recommendation	Alternative view
<p>Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives:</p> <ul style="list-style-type: none"> the implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements the development and implementation of the statewide exclusion register, with ongoing maintenance to be industry funded system-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded. 	<p>GTA support this recommendation in principle and the broader principle that account-based gaming must be designed to mitigate risk of harm.</p>
<p>Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify:</p> <ul style="list-style-type: none"> how additional funds can be directed to fund support services and independent gambling research potential alternative funding sources for the RGF. 	<p>GTA does not support this recommendation as drafted as it assumes an automatic support of increased/additional funding. RGF funding is opaque and has changed markedly in recent years (with the introduction of the POCT and 2018 legislation which directed LIA payments from EGM applications and a new levy on the EGM leasing scheme to RGF activities). Outcomes are not well reported, with no clear reporting of the proportion of funding put toward programs and interventions versus that put to research. This has not been assisted by the inclusion of RGF in consolidated departmental annual reports. These elements should be reviewed in full. To assist, the GTA suggests the recommended be redrafted as follows:</p> <p><i>The NSW Government direct Hospitality & Racing to undertake a comprehensive review of:</i></p> <ul style="list-style-type: none"> <i>funding of the RGF</i> <i>expenditure of the RGF on gambling problems</i> <i>expenditure of the RGF on research</i> <i>outcomes achieved by the RGF over the past 10 years.</i>
<p>Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.</p>	<p>GTA does not support this recommendation. NSW Government in it's pre-election policy stated that buy-backs would be funded within this scheme. The Panel in this instance ought to respect the mandate of the elected government.</p>

Sequencing of Roadmap reforms

Executive Committee recommendation	Alternative view
<p>2024:</p> <ul style="list-style-type: none"> • Allow trial participants to adopt account-based gaming • NSW Government determine timeframes for: <ul style="list-style-type: none"> ◦ Working with the Responsible Gambling Fund on increasing community outreach as part of GambleAware, supporting financial literacy school programs, identifying how additional funds can be directed to fund support services and independent gambling research, and identifying alternative funding sources ◦ Considering alignment of the maximum bet amount with other jurisdictions ◦ Evaluating the Roadmap reforms. 	<p>Subject to feedback provided on the specific recommendations and given the timing of the submission of the Roadmap to Government, GTA suggests that the earliest this could be achieved is early 2025.</p>
<p>2025:</p> <ul style="list-style-type: none"> • Amend legislation to enable voluntary adoption of account-based gaming • Establish account-based gaming Implementation Committee • Complete analysis regarding impact on industry (including employment and revenue) and the social costs of gambling. • Commission research/advice/consumer testing on account-based gaming design • Commence procurement and/or build of account-based gaming system • Amend legislation to simplify the Local Impact Assessment process and increase transparency • Amend legislation to revise the GME leasing scheme to be subject to forfeiture, ensure only venues that are trading utilise the scheme & that lease agreement prices are reasonable • Amend legislation to simplify forfeiture and exemptions to help reduce the number of GMEs in NSW • Amend legislation to revise operating hour variation application criteria and repeal all existing gaming machine operating hour variations • Amend legislation to implement mandatory outcomes calculation signage • Modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling. 	<p>Subject to feedback provided on the specific recommendations :</p> <ul style="list-style-type: none"> - Industry (GTA) must be represented in the research/advice/consumer testing relating to the account-based gaming design. - GTA and industry representatives need to be on the Implementation Committee.

Executive Committee recommendation	Alternative view
2026: <ul style="list-style-type: none"> • Allow venues to voluntarily adopt venue-based account-based gaming • Introduce a buy-back scheme (if implemented) • Review loyalty programs. 	
2027: <ul style="list-style-type: none"> • Launch the centralised account-based gaming system. 	Subject to feedback provided on the specific recommendations <ul style="list-style-type: none"> - Timeframe should be tranced and the feasibility of commencing by 2027 is entirely dependent on the outcomes of the account-based gaming system design in 2025.
2028: <ul style="list-style-type: none"> • Mandate account-based gaming statewide • Reduce all cash input limits to \$500 • Undertake a statutory review of the Gaming Machine Act. 	<ul style="list-style-type: none"> - Ability to support mandated account-based gaming is entirely dependent on the outcomes of the account-based gaming system design in 2025

Leagues Clubs Australia (LCA)

Due to significant overlap in LCA's responses to the recommendations in this feedback request, LCA has provided the following overarching comments, which are referenced throughout to avoid repetition.

1. Purpose of Panel

LCA notes that the Panel's purpose, as outlined in the terms of reference, is to provide recommendations for gaming reform grounded in robust evidence and trial data, specifically addressing the impacts on industry, infrastructure needs, employment, and effective harm minimisation. LCA notes, however, that many of the recommendations presented in the report fall outside the intended remit of the Panel. While LCA acknowledges there is merit in some of these proposals, endorsing recommendations that do not directly align with the Panel's mandate would be inappropriate. The Panel's Terms of Reference require that any recommendation be informed by concrete data, industry impact assessments, and feasibility studies, particularly as these relate to the broader viability and sustainability of NSW's gaming and hospitality sectors.

2. 3ARC Report Findings

LCA notes that it has previously provided comment on 3Arc report's limited sample size, minimal participant engagement, and focus on secondary evidence significantly weaken its relevance for informed policy recommendations. With only a handful of participants and a complex, time-consuming sign-up process that deterred broader engagement, the report lacks the firsthand data necessary to assess the effectiveness or feasibility of account-based gaming technology. Furthermore, its conclusions on the potential for mandatory cashless gaming extend beyond the trial's scope, without capturing the broader impacts on industry sustainability, employment, or consumer interest. As such, LCA cannot support policy recommendations based on these findings until more robust, representative data is collected.

3. Impact on venues

LCA is concerned about the substantial financial and operational impacts that the proposed reforms could impose on venues, especially smaller and regional establishments. These venues may struggle to afford the infrastructure upgrades necessary for a transition to account-based gaming, potentially leading to workforce reductions, reduced services, or closures. Without economic modeling to gauge the costs, these changes risk destabilising businesses critical to local economies.

Additionally, Tasmania's recent decision to commission a review into the impacts of its own mandatory cashless gaming card on the hospitality sector underscores the need for caution. Tasmania's experience highlights the potential for unintended consequences, particularly on revenue and employment, that could result from widespread implementation of cashless gaming without thorough, evidence-based planning.

The low engagement rates in the NSW trial suggest that consumer acceptance of cashless systems may not align with industry expectations. This raises concerns about the potential for decreased patronage and revenue, especially for venues that rely heavily on these gaming services. LCA strongly recommends a phased, measured approach, incorporating comprehensive economic modeling and direct input from affected venues to ensure that any reforms support both harm minimisation goals and the viability of local businesses.

4. Displacement of Problem Gambling

LCA cautions that implementing restrictive measures, such as mandatory account-based gaming, could inadvertently drive problem gamblers to less regulated or riskier environments. Evidence suggests that merely making access to gaming more challenging does not reduce harmful behaviour but may instead displace it to unregulated settings

where oversight and harm minimisation are minimal or nonexistent. This displacement effect is a critical risk, as it reduces the ability to monitor, support, and intervene effectively with those at higher risk of gambling-related harm.

Such an outcome could undermine the goals of the reforms, effectively shifting the issue rather than resolving it. To achieve meaningful reductions in gambling harm, LCA recommends a balanced approach that focuses on engaging at-risk individuals within regulated environments, where support and resources are more readily available, rather than pushing problem gambling further out of reach of responsible oversight.

Account-based gaming

Executive Committee recommendation	Endorsement or alternative view
Principles	
<p>Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this.</p>	<p>LCA does not endorse this recommendation.</p> <p><i>Please refer to the Purpose of the Panel, 3Arc Report Findings and Impact on sections in the overarching commentary.</i></p> <p>Given the lack of comprehensive analysis and limited data on account-based gaming, LCA does not support a statewide, mandatory account-based system as recommended.</p> <p>To meet the Government's objectives for gaming reform, as outlined in the Panel's Terms of Reference, LCA advocates for a phased, evidence-based approach with economic modeling to fully assess industry impact, employment, and feasibility. This should include:</p> <ul style="list-style-type: none"> • Analysing the cost implications and potential impacts on smaller and regional venues. • Evaluating infrastructure needs and the availability of technology upgrades for gaming machines statewide. <p>Without credible trial data to inform these recommendations, any decision to mandate account-based gaming should be approached cautiously to avoid unintended economic and social consequences. LCA urges the Panel to prioritise further research and industry consultation before recommending statewide implementation.</p>
<p>Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should:</p> <ul style="list-style-type: none"> • consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready • determine the approach for the mandatory implementation of a statewide account-based gaming system, including 	<p>LCA does not endorse this recommendation.</p> <p><i>Please refer to the Purpose of the Panel, 3Arc Report Findings and Displacement of Problem Gambling sections in the overarching commentary.</i></p> <p>LCA strongly believes that any recommendation for mandatory account-based gaming is premature and lacks by sufficient evidence to be supported. This recommendation assumes that a lack of user uptake in the initial voluntary trial was solely due to the optional nature of participation, rather than considering that user reluctance may stem from deeper concerns. Participants cited issues with the trial's technology, including:</p> <ul style="list-style-type: none"> • A complex and cumbersome sign-up process, • Intensive identity verification requirements, • Privacy concerns related to government and

Executive Committee recommendation	Endorsement or alternative view
<p>appropriate considerations for border towns.</p>	<p>regulatory monitoring,</p> <ul style="list-style-type: none"> • Digital literacy barriers, and • Broader data security and cyber-risk fears. <p>If such technology were implemented in a mandatory manner, it is likely that many patrons would avoid using gaming machines altogether, significantly impacting the venue and push people with problem gambling tendencies toward other, less restricted forms of gambling, potentially undermining the intended harm minimisation goals of this reform. This phenomenon was seen across the industry during the introduction of the TITO system which highlighted the importance of considering timing and appropriate phase in timeframes for the roll out of this.</p> <p>In addition to insights from Ticket-In Ticket-Out (TITO) systems, it's noteworthy that Tasmania, which took a similar mandatory stance on cashless gaming reforms, has had to commission a review into the impacts of its planned cashless gaming card on the hospitality sector. This review was prompted by concerns about the economic effects on the industry, especially in regional areas, highlighting the need for careful consideration of financial and operational impacts before rolling out such reforms broadly</p> <p>Finally, we support delaying any decision on mandatory implementation until the analysis recommended in Recommendation 1.13 is conducted, ensuring an evidence-based approach that fully accounts for economic, social, and employment impacts across the industry.</p>
<p>Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.</p>	<p>LCA does not endorse this recommendation.</p> <p><i>Please refer to the Purpose of the Panel, 3Arc Report Findings and Impact on Venues sections in the overarching commentary.</i></p> <p>Should there be any future consideration of account-based gaming, it is essential that it is preceded by a thorough analysis of its impact. Furthermore, it is critical that AUSTRAC be consulted regarding this proposal, as anti-money laundering (AML) measures fall under Commonwealth jurisdiction. Any recommendations related to account-based gaming should be reviewed by AUSTRAC and be made in conjunction with the Tranche 2 AML/CTF reforms.</p>

Executive Committee recommendation	Endorsement or alternative view
<p>Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).</p>	<p>LCA does not endorse this recommendation.</p> <p>LCA believes there is insufficient evidence to justify the assertion that the daily cash limit in clubs should be set lower than that of casinos, given that casinos operate as destination-gambling venues. Furthermore, the issue of cash limits has been addressed by AUSTRAC, which has proposed a \$5,000 cap on anonymous cash transactions in the context of Tranche 2 AML/CTF reforms.</p> <p>While LCA supports the continued use of cash in gaming venues, it is essential to note that the existing trial did not yield meaningful data (<i>Please refer to the 3Arc Report Findings section in the overarching commentary</i>) to support the Panel's recommendations regarding account-based gaming. Without robust evidence, any proposed changes to cash handling in gaming venues remain speculative and unsupported.</p>
<p>Recommendation 1.5: An account-based gaming system should include opt-out default non-binding spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.</p>	<p>LCA does not endorse the recommendation.</p> <p><i>Please refer to the Purpose of the Panel section in the overarching commentary.</i></p> <p>While LCA supports providing players with tools to help manage their gambling, including prompts for players to voluntarily set their own deposit, spend, or time limits, the effectiveness of default spending limits as a harm minimisation strategy is not well established in the Australian context. The diverse personal circumstances of gaming machine players suggest that imposing default limits could be ineffective or potentially harmful. For some individuals, default limits may be set too high, failing to address their specific needs and circumstances.</p> <p>LCA believes that any tools for managing gambling should be opt-in rather than opt-out, allowing patrons the autonomy to set their own limits rather than the Government introducing default non-binding spend, deposit, and time limits within an account-based gaming system.</p>
<p>Recommendation 1.6: An account-based gaming system should reduce the threshold for paying out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.</p>	<p>LCA does not endorse this recommendation.</p> <p>There is insufficient evidence provided to support the recommendation to reduce the threshold for paying out winnings in cash. It is unclear what specific objectives this recommendation aims to achieve.</p> <p>No reports provided or discussed within the panel have identified that lowering the cash payout limit constitutes a harm minimisation measure, nor address money laundering concerns. Given AUSTRAC has already proposed a cash threshold of \$5,000 for anonymous transactions, it is unclear why the state government is being recommended to deviate from this standard based on potential Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) grounds as it can be assumed that this has been considered thoroughly in AUSTRAC's determination.</p> <p><i>In addition, please refer to Displacement of Problem Gambling section in the overarching commentary.</i></p>

Executive Committee recommendation	Endorsement or alternative view
<p>Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.</p>	<p>LCA does not endorse this recommendation.</p> <p><i>Please refer to the purpose of the Panel and Impact on Venues sections in the overarching commentary.</i></p> <p>While LCA recognises the intent behind ensuring key systems within the gaming landscape are integrated and the importance of responsible gambling practices, there are significant concerns regarding the interoperability of an account-based gaming system with other sensitive systems, such as health information, biometric data, and financial information.</p> <p>The integration of these systems poses serious risks related to privacy and potential data breaches, which could compromise the personal information of patrons. Furthermore, there has been insufficient cost analysis and examination of the infrastructure required for such interoperability. Without this critical assessment, there is no foundation for making informed decisions regarding the implementation of these technologies.</p>
<p>Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.</p>	<p>LCA does not endorse this recommendation.</p> <p>LCA does not endorse this recommendation. LCA supports the principle of data collection for risk monitoring; however, any data provided should be de-identified to protect individual privacy.</p> <p>Additionally, further technical detail is necessary to fully consider the implications of this recommendation. Given the significant gaps in data and the limited scope of the trial, LCA recommends comprehensive evaluation of existing research and additional analysis before implementing account-based gaming on a broader scale.</p>
<p>Recommendation 1.9: An account-based gaming system should be evaluated as part of the broader reforms evaluation.</p>	<p>LCA partially endorses this recommendation.</p> <p>LCA acknowledges the importance of evaluating <u>any</u> account-based gaming system as part of the broader reforms evaluation. However, prior to implementation, a thorough review of the cashless trial must be completed. The findings from the 3Arc report are based on limited data and include assertions made by panel members with vested interests, lacking robust evidence to support the proposed reforms.</p> <p>Therefore, while there is merit in the evaluation process, it must be grounded in comprehensive data and analysis to ensure the recommendations are evidence-based and considerate of the many intersecting consequences</p>
<p>Considerations for design and build of an account-based gaming system</p>	
<p>Recommendation 1.10: The NSW Government ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine:</p> <ul style="list-style-type: none"> the most appropriate terminology for 'account-based gaming' from a customer perspective 	<p>LCA partially endorses this recommendation.</p> <p>LCA supports research into effective ways to implement breaks in play and enhance activity statements as harm minimisation tools. However, LCA recommends reviewing existing research, including recent NSW Government harm minimisation reforms, before commissioning new studies.</p>

Executive Committee recommendation	Endorsement or alternative view
<ul style="list-style-type: none"> the most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools the most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate with regular players to enhance meaningful engagement with deposit limits the most effective ways to leverage data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend. 	
Technical and system standards and privacy and data protections	
<p>Recommendation 1.11: The NSW Government:</p> <ul style="list-style-type: none"> ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts undertake a Privacy Impact Assessment as part of its considerations for the preferred approach for implementing account-based gaming. 	<p>LCA endorses this recommendation with a minor amendment.</p> <p>LCA recommends amending this recommendation to “ensure that the rollout of <u>any</u> account-based gaming”.</p>
Infrastructure investment	
<p>Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.</p>	<p>LCA endorses this recommendation with a minor amendment.</p> <p>LCA recommends it be changed to “provide advice on the implementation of <u>any</u> account-based gaming”.</p>
Impact on industry and employment	

Executive Committee recommendation	Endorsement or alternative view
Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.	<p>LCA strongly endorses this recommendation.</p> <p><i>Please refer to the Impact on Venues section in the overarching commentary.</i></p> <p>LCA strongly believes that thorough analysis must precede any decision on account-based gaming. This includes evaluating impacts on industry revenue, employment, and required infrastructure investments, aligning with the Panel's Terms of Reference. LCA agrees that understanding these factors is essential before making any decisions on account-based gaming to ensure informed, sustainable outcomes for the sector.</p>

Gaming machine operations and trading

Executive Committee recommendation	Alternative view
Gaming machine entitlement trading (LIA & GME leasing scheme)	
Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.	<p>LCA does not endorse this recommendation.</p> <p>The Local Impact Assessment (LIA) Scheme has undergone substantial review and amendments in recent years, which has resulted in improvements in terms of transparent and accessibility.</p> <p>Additional changes would likely increase industry uncertainty without offering meaningful improvements to the current framework.</p>
Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions: <ul style="list-style-type: none"> ensure the lease agreement prices are reasonable with reference to market rates ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances require the scheme to be subject to forfeiture. 	<p>LCA does not endorse this recommendation.</p> <p>While supporting the retention of the GME leasing scheme, LCA does not agree with the proposed revisions, particularly the forfeiture requirement, as it would make leasing economically unviable and counter to the scheme's original intent. It should also be noted that this would have a significant impact on regional venues.</p>
Reducing the number of gaming machine entitlements (forfeiture and buy-backs)	
Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.	<p>LCA does not endorse this recommendation.</p> <p>LCA supports the NSW Government's commitment to adjust the forfeiture rate from 1 in 3 to 1 in 2 and recommends that this change be implemented and reviewed before considering further alterations.</p> <p>Additionally, LCA emphasises that ILGA should adhere to all legislative objectives when evaluating gaming machine applications, ensuring a balanced approach that considers both harm minimisation and industry development.</p>
Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement	LCA endorses this recommendation.

Executive Committee recommendation	Alternative view
<p>a scheme, it should:</p> <ul style="list-style-type: none"> • be voluntary and open to NSW clubs and hotels • be simple and transparent • target the existing commitment of 2,000 GMEs over five years • be priced at \$30,000 for a gaming machine entitlement • be used to assist and incentivise venues to implement account-based gaming. 	
Gaming machine operating hours	
<p>Recommendation 2.5: The NSW Government:</p> <ul style="list-style-type: none"> • retain the minimum six-hour shutdown period, commencing no later than 4am • repeal all existing variations, allowing a transition period for venues <p>If the NSW Government chooses to implement a new hardship variation it should be time-limited with very stringent criteria and still provide for a continuous six-hour shutdown period.</p>	<p>LCA does not endorse this recommendation.</p> <p>While LCA has been actively working with the Department in this area, before any changes to gaming machine shutdown hours are considered, LCA recommends a comprehensive audit of current data and direct consultation with affected venues to ensure decisions are informed and accurate. Additionally, any modifications should allow adequate transition time for venues to adjust operations and staffing.</p>
Reducing the cash input limit on older gaming machines	
<p>Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.</p>	<p>LCA does not endorse this recommendation, supporting the current approach where the \$500 cash input limit applies only to new gaming machines.</p> <p>Larger clubs, through market forces, naturally turn over machines more frequently, meaning many already meet this limit through the new machine requirements. Imposing this requirement therefore on generally smaller clubs, which cannot as easily afford to replace older machines, would create significant financial strain and mean they are sinking costs into these older machines which may also at some point need to be retrofitted again with cashless gaming technology. Requiring upgrades for these venues is therefore not appropriate, especially without clear evidence that this change would effectively reduce gaming harm.</p>

Harm minimisation measures

Executive Committee recommendation	Alternative view
Loyalty programs	
<p>Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.</p>	<p>LCA does not endorse this recommendation on the grounds that it falls outside the remit of the panels terms of reference.</p> <p><i>Please refer to the Purpose of the Panel section in the overarching commentary.</i></p> <p>However LCA in principal is supportive of ensuring that loyalty programs are consistent across the board and that they are compliant with all necessary regulations and legislative requirements.</p>

Executive Committee recommendation	Alternative view
Community awareness and outreach	
Recommendation 3.2: The NSW Government consider: <ul style="list-style-type: none"> implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome increasing community outreach as part of GambleAware supporting financial literacy school programs ensuring the statewide register effectively complements support services. 	<p>LCA endorses this recommendation in principle.</p> <p>LCA's support is subject to appropriate consideration of privacy protections for patrons in the connection between statewide registers and support services.</p>
Gambling harm minimisation research	
Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.	<p>LCA endorses this recommendation.</p>
Gaming machine features	
Recommendation 3.4: The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the GMNS at a State level.	<p>LCA does not endorse this recommendation.</p> <p>LCA supports NSW's participation in the multi-jurisdictional forum leading reforms to the Gaming Machine National Standards (GMNS) and does not support any pursuit of state-level amendments should these national reforms not be realised as this will create a further fragmented interjurisdictional burden.</p>
Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per spin with other states and move toward a nationally consistent approach.	<p>LCA does not endorse this recommendation.</p> <p>The State's \$10 maximum bet limit, unchanged since 1987, is already reduced in real terms by inflation.</p> <p>A reduction would impose significant costs on the industry due to the state's unique one-way protocol, requiring substantial upgrades or replacements at an estimated cost exceeding \$1 billion.</p> <p>Without a clear national standard or evidence of the benefits of this change, LCA advises against pursuing this reform until NSW transitions to a two-way protocol and the full infrastructure and economic implications are assessed.</p>
Gaming machine advertising	
Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.	<p>LCA supports this recommendation in principle.</p> <p>LCA supports the current restrictions on gaming machine advertising as effective harm minimisation.</p> <p>However, if account-based gaming is implemented, LCA recommends allowing venues to communicate with members to encourage sign-up, following the communication approach learnings made during the trial.</p>

Legislative reform

Executive Committee recommendation	Alternative view
Recommendation 4.1: The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.	<p>LCA supports the modernisation of terminology in gambling legislation but does not recommend adopting a public health approach to gambling.</p> <p>LCA recognises that a gambling disorder, characterised by repeated problem gambling behaviours in the DSM-5, is a psychological condition that requires professional treatment and intervention. While we advocate for updating legislation to remove outdated terms, we do not support the wholesale adoption of a public health approach to gaming in venues.</p>
Recommendation 4.2: The NSW Government conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.	<p>LCA endorses this recommendation subject to further detail on the parameters.</p> <p>LCA notes that as per comments made in 3Arc Report Findings section in the overarching commentary that any evaluation must be robust.</p>
<p>Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to:</p> <ul style="list-style-type: none"> • ensure that the gaming legislative framework is modern and remains fit for purpose • review the penalty provisions to ensure they remain appropriate • review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility. 	<p>LCA endorses this recommendation.</p>

Allocation of funding

Executive Committee recommendation	Alternative view
<p>Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives:</p> <ul style="list-style-type: none"> • the implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements • the development and implementation of the statewide exclusion register, with ongoing maintenance to be industry funded • system-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded. 	<p>LCA partly endorses this recommendation.</p> <p>LCA supports using the Harm Minimisation Fund to aid the implementation of account-based gaming, including communication, change management, evaluation, and industry support.</p> <p>To accurately assess the impact of account-based gaming on industry and employment, LCA recommends a targeted trial in an isolated NSW region, using the fund to cover trial costs and provide compensation to participating venues.</p>
<p>Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify:</p> <ul style="list-style-type: none"> • how additional funds can be 	<p>LCA does not endorse this recommendation.</p> <p>While LCA notes that an audit of the various agencies involved in harm minimisation research and support in</p>

Executive Committee recommendation	Alternative view
<p>directed to fund support services and independent gambling research</p> <ul style="list-style-type: none"> potential alternative funding sources for the RGF. 	<p>NSW has been ruled out in this roadmap, LCA's position on the need for this has not changed. Therefore, LCA does not support this recommendation and recommends an independent review of the Responsible Gambling Fund to ensure that its programs and research are effective and accurately targeted under current funding arrangements.</p>
<p>Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.</p>	<p>LCA does not endorse this recommendation.</p> <p>LCA notes that this is inconsistent with the NSW Government's commitment to a buy-back scheme for GME in NSW, with a portion of the \$100 million Harm Minimisation Fund allocated for this purpose.</p>

Sequencing of Roadmap reforms

Executive Committee recommendation	Alternative view
<p>2024:</p> <ul style="list-style-type: none"> Allow trial participants to adopt account-based gaming NSW Government determine timeframes for: <ul style="list-style-type: none"> Working with the Responsible Gambling Fund on increasing community outreach as part of GambleAware, supporting financial literacy school programs, identifying how additional funds can be directed to fund support services and independent gambling research, and identifying alternative funding sources Considering alignment of the maximum bet amount with other jurisdictions Evaluating the Roadmap reforms. 	<p>LCA does not endorse this recommendation.</p> <p>LCA does not support the proposed timeframes for implementing a mandatory, statewide rollout of account-based gaming, as the current trial has not provided sufficient data to justify such a significant change. Any timeline recommendations should be based on rigorous, evidence-based analysis of the financial, operational, and social impacts of the system.</p> <p>There are also substantial infrastructure costs that have yet to be fully considered, including the potential \$1 billion required for the two-way protocol, expenses associated with facial recognition technology, and additional costs tied to new requirements. With so many unknowns, it is premature to determine a definitive timeline for implementation.</p> <p>LCA recommends that the NSW Government first conduct a comprehensive assessment of infrastructure needs, industry impact, and the social costs of these reforms before committing to any deadlines. Existing commitments, such as the statewide exclusion register, third-party exclusions, and updates to forfeiture rates, also demand significant resources and time. To manage these changes, LCA supports a phased timeline of at least seven years, allowing for system development, procurement, and a sequenced rollout that minimises disruption and additional costs for the industry.</p>
<p>2025:</p> <ul style="list-style-type: none"> Amend legislation to enable voluntary adoption of account-based gaming Establish account-based gaming Implementation Committee Complete analysis regarding impact on industry (including employment and revenue) and the social costs of gambling. Commission research/advice/consumer testing on account-based gaming design Commence procurement and/or build of account-based gaming system Amend legislation to simplify the Local Impact Assessment process and increase transparency 	

Executive Committee recommendation	Alternative view
<ul style="list-style-type: none"> • Amend legislation to revise the GME leasing scheme to be subject to forfeiture, ensure only venues that are trading utilise the scheme & that lease agreement prices are reasonable • Amend legislation to simplify forfeiture and exemptions to help reduce the number of GMEs in NSW • Amend legislation to revise operating hour variation application criteria and repeal all existing gaming machine operating hour variations • Amend legislation to implement mandatory outcomes calculation signage • Modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling. 	
2026: <ul style="list-style-type: none"> • Allow venues to voluntarily adopt venue-based account-based gaming • Introduce a buy-back scheme (if implemented) • Review loyalty programs. 	
2027: <ul style="list-style-type: none"> • Launch the centralised account-based gaming system. 	
2028: <ul style="list-style-type: none"> • Mandate account-based gaming statewide • Reduce all cash input limits to \$500 • Undertake a statutory review of the Gaming Machine Act. 	

Lived experience member

Account-based gaming

Executive Committee recommendation	Endorsement or alternative view
Principles	
Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this.	Endorse.
Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should: <ul style="list-style-type: none"> consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready determine the approach for the mandatory implementation of a statewide account-based gaming system, including appropriate considerations for border towns. 	<p>I support the intent of this recommendation.</p> <p>I suggest this recommendation be re-worded to more strongly reflect the intent – that it should be mandatory.</p> <p>For example, an account-based gaming system should be mandatory. Until a centralised system is fully implemented, the account-based gaming system may be voluntary.</p>
Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.	I don't support a reduced identity verification process for gamblers who engage in sporadic gambling on EGMs and/or visitors to NSW. The risk of these mechanisms being abused to circumvent the account-based system is too great. I think this would be a loss for harm minimisation and a loss for anti-money laundering policy intents. The system should be mandatory and consistent for all.
Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).	I endorse this for instances where an individual's identity can be confirmed when topping up with cash, as I believe is the case in some casinos with account-based gambling implemented. If you don't have a mechanism to confirm an individual's identity, how can the AML benefits be assured and gambling harm minimisation measures be maintained for an individual?
Recommendation 1.5: An account-based gaming system should include opt-out default non-binding spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.	<p>This should be opt-out and binding. What is the point of non-binding spend, deposit and time limits?</p> <p>We need built-in protections via binding spend, deposit and time limits.</p> <p>Additionally, we should include guidance to the NSW Government for how these spend, deposit and time limits be determined, for example benchmarked as a percentage of weekly average income in Australia.</p>
Recommendation 1.6: An account-based gaming	Endorse. There were many occasions where I

Executive Committee recommendation	Endorsement or alternative view
system should reduce the threshold for paying out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.	won sums larger than \$500 and simply put it back in different machines, ultimately losing it all.
Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.	Endorse. With my professional hat on (as a Data Manager) and broadly speaking, technology barriers do not appear as great as some in the industry would have you believe. Interoperable systems are the gold standard and where we can realise the most benefits, as distinct from integrations.
Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.	Endorse.
Recommendation 1.9: An account-based gaming system should be evaluated as part of the broader reforms evaluation.	Endorse.
Considerations for design and build of an account-based gaming system	
Recommendation 1.10: The NSW Government ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine: <ul style="list-style-type: none"> the most appropriate terminology for 'account-based gaming' from a customer perspective the most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools the most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate with regular players to enhance meaningful engagement with deposit limits the most effective ways to leverage data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend. 	Endorse, but this should be independent technical advice and/or research and consumer testing.
Technical and system standards and privacy and data protections	
Recommendation 1.11: The NSW Government: <ul style="list-style-type: none"> ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts undertake a Privacy Impact Assessment as part of its considerations for the 	Endorse.

Executive Committee recommendation	Endorsement or alternative view
preferred approach for implementing account-based gaming.	
Infrastructure investment	
Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.	<p>Endorse in principle. The Implementation Committee should also include harm minimisation advocates, people with lived experience of gambling harm and representatives from public health and social welfare sectors to ensure the committee's decisions remain balanced and primarily focused on harm minimisation.</p> <p>Is the Implementation Committee to have any crossover in membership to that of the Independent Panel for Gaming Reform? For example, the Executive Committee and/or key members could be maintained for the Implementation Committee given the investment to-date in upskilling/educated members of the Independent Panel. This may assist the Implementation Committee in 'hitting the ground running'.</p>
Impact on industry and employment	
Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.	The analysis should weigh long-term gains from harm minimisation (such as reduced social costs and healthcare savings) more heavily than short-term revenue impacts to industry. Engaging independent researchers or public health economists to lead the social cost analysis would improve transparency and credibility. Additionally, the analysis should be made publicly available to ensure accountability and highlight harm minimisation's role in reducing social costs.

Gaming machine operations and trading

Executive Committee recommendation	Alternative view
Gaming machine entitlement trading (LIA & GME leasing scheme)	
Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.	Endorse in principle. Streamlining the process without compromising depth is essential.
Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions: <ul style="list-style-type: none"> ensure the lease agreement prices are reasonable with reference to market rates ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances require the scheme to be subject to forfeiture. 	Require that any venue seeking to lease entitlements must first conduct a Local Impact Assessment, ensuring community input remains part of the decision-making process.
Reducing the number of gaming machine entitlements (forfeiture and buy-backs)	
Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.	Endorse.

Executive Committee recommendation	Alternative view
<p>Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement a scheme, it should:</p> <ul style="list-style-type: none"> • be voluntary and open to NSW clubs and hotels • be simple and transparent • target the existing commitment of 2,000 GMEs over five years • be priced at \$30,000 for a gaming machine entitlement • be used to assist and incentivise venues to implement account-based gaming. 	Endorse.
Gaming machine operating hours	
<p>Recommendation 2.5: The NSW Government:</p> <ul style="list-style-type: none"> • retain the minimum six-hour shutdown period, commencing no later than 4am • repeal all existing variations, allowing a transition period for venues <p>If the NSW Government chooses to implement a new hardship variation it should be time-limited with very stringent criteria and still provide for a continuous six-hour shutdown period.</p>	<p>The six-hour shutdown commencing no later than 4 am does not go far enough. This is low-hanging fruit in terms of impactful gambling reform aimed at minimising harm. In my own experience, when gambling during late-night hours, I am much more likely to be chasing losses and significantly overspending. The consequences have been devastating for both my financial stability and mental health.</p> <p>Why is it that I can gamble later than I can purchase a beer in NSW?</p> <p>This inconsistency highlights a critical gap in our regulatory approach to gambling harm. The government must take decisive action to extend the shutdown period, aligning it more closely with responsible community standards and prioritising the wellbeing of the people of NSW.</p> <p>Additionally, there should be no exemptions provided to any venues, under any circumstances.</p>
Reducing the cash input limit on older gaming machines	
<p>Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.</p>	Endorse.

Harm minimisation measures

Executive Committee recommendation	Alternative view
Loyalty programs	
<p>Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.</p>	Endorse.
Community awareness and outreach	

Executive Committee recommendation	Alternative view
Recommendation 3.2: The NSW Government consider: <ul style="list-style-type: none"> implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome increasing community outreach as part of GambleAware supporting financial literacy school programs ensuring the statewide register effectively complements support services. 	Endorse.
Gambling harm minimisation research	
Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.	Endorse.
Gaming machine features	
Recommendation 3.4: The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the GMNS at a State level.	Endorse but this should have some context, e.g. if these reforms are not realised by <date/year> AND/OR reforms are not advancing in line with the GMNS workplan/roadmap.
Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per spin with other states and move toward a nationally consistent approach.	Endorse. It is currently alarmingly easy to spend large amounts of money in a very short amount of time with potentially devastating consequences.
Gaming machine advertising	
Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.	Endorse.

Legislative reform

Executive Committee recommendation	Alternative view
Recommendation 4.1: The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.	Endorse. This should be done so in consultation with public health representatives.
Recommendation 4.2: The NSW Government conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.	Endorse.

Executive Committee recommendation	Alternative view
Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to: <ul style="list-style-type: none"> ensure that the gaming legislative framework is modern and remains fit for purpose review the penalty provisions to ensure they remain appropriate review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility. 	Endorse.

Allocation of funding

Executive Committee recommendation	Alternative view
Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives: <ul style="list-style-type: none"> the implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements the development and implementation of the statewide exclusion register, with ongoing maintenance to be industry funded system-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded. 	Endorse.
Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify: <ul style="list-style-type: none"> how additional funds can be directed to fund support services and independent gambling research potential alternative funding sources for the RGF. 	Endorse.
Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.	Endorse, given the minimal impact a buy-back scheme will have on broader harm minimisation in NSW. The proposed buy-back of 2000 GMEs represents just 2% of GMEs in NSW.

Sequencing of Roadmap reforms

Executive Committee recommendation	Alternative view
2024: <ul style="list-style-type: none"> Allow trial participants to adopt account-based gaming NSW Government determine timeframes for: <ul style="list-style-type: none"> Working with the Responsible Gambling Fund on increasing community outreach as part of GambleAware, supporting financial literacy school programs, identifying how additional funds can be directed to fund support services and 	<p>'Gaming' should be replaced with 'gambling' throughout.</p> <p>Endorse timeline for 2024.</p>

Executive Committee recommendation	Alternative view
<ul style="list-style-type: none"> ○ independent gambling research, and identifying alternative funding sources ○ Considering alignment of the maximum bet amount with other jurisdictions ○ Evaluating the Roadmap reforms. 	
<p>2025:</p> <ul style="list-style-type: none"> • Amend legislation to enable voluntary adoption of account-based gaming • Establish account-based gaming Implementation Committee • Complete analysis regarding impact on industry (including employment and revenue) and the social costs of gambling. • Commission research/advice/consumer testing on account-based gaming design • Commence procurement and/or build of account-based gaming system • Amend legislation to simplify the Local Impact Assessment process and increase transparency • Amend legislation to revise the GME leasing scheme to be subject to forfeiture, ensure only venues that are trading utilise the scheme & that lease agreement prices are reasonable • Amend legislation to simplify forfeiture and exemptions to help reduce the number of GMEs in NSW • Amend legislation to revise operating hour variation application criteria and repeal all existing gaming machine operating hour variations • Amend legislation to implement mandatory outcomes calculation signage • Modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling. 	Endorse timeline for 2025.
<p>2026:</p> <ul style="list-style-type: none"> • Allow venues to voluntarily adopt venue-based account-based gaming • Introduce a buy-back scheme (if implemented) • Review loyalty programs. 	Endorse timeline for 2026.
<p>2027:</p> <ul style="list-style-type: none"> • Launch the centralised account-based gaming system. 	Endorse timeline for 2027.
<p>2028:</p> <ul style="list-style-type: none"> • Mandate account-based gaming statewide • Reduce all cash input limits to \$500 • Undertake a statutory review of the Gaming Machine Act. 	Endorse timeline for 2028.

NSW Council of Social Services (NCOSS)

To the Executive of the Independent Gaming Reform Taskforce

NCOSS welcomes the NSW Government's decision to establish the Independent Panel on Gaming Reform. We commend this initiative to provide expert advice on critical issues such as the mandatory cashless gaming trial, the allocation of the \$100 million harm minimisation fund, and a comprehensive roadmap for future gaming reform across New South Wales.

We acknowledge the significant challenges inherent in addressing such a complex issue, balancing economic considerations with the urgent need to mitigate the harmful impacts of gambling.

NCOSS is committed to representing the voices of community services organizations and individuals experiencing poverty and inequality, who are often disproportionately affected by gambling harm.

With a staggering 88,644 poker machines in the state, gambling harm is a pervasive and serious issue, impacting countless individuals and families. The far-reaching consequences extend beyond the scope of traditional gambling harm services, affecting mental health, financial stability, and overall well-being.

We are concerned by the lack of publicly accessible information and independent research on the scale and impact of gambling harm in New South Wales. Greater transparency and evidence-based decision-making are essential to effectively address this complex issue.

The proposed reforms offer an opportunity to significantly reduce the technical complexity and increase transparency in the gambling industry. NCOSS has outlined its feedback on the proposed recommendations, subject to further clarification and detail.

We look forward to the opportunity to discuss our feedback in more detail and contribute to the development of a robust and effective gaming reform framework

Sincerely

Cara Varian
CEO, NSW Council of Social Service

Account-based gaming

Executive Committee recommendation	Endorsement or alternative view
Principles	
<p>Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this.</p>	<p>Endorse conditional on:</p> <ol style="list-style-type: none"> 1. A public commitment for the timing of the account-based gaming system to be mandatory 2. There is no anonymous play from the time that it is mandatory 3. It is a single but user-friendly sign-up process (not tiered) 4. Enforced gambling harm mechanisms to be built into the system, including <ol style="list-style-type: none"> a. Binding spend, deposit and time limits b. Built in breaks in gambling including an automatic delay c. Automatic player activities statements provided to users
<p>Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should:</p> <ul style="list-style-type: none"> • consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready • determine the approach for the mandatory implementation of a statewide account-based gaming system, including appropriate considerations for border towns. 	<p>Neither endorse nor offer an alternative view as it is not clear what this will look like over the next 3-4 years.</p> <p>Further comments:</p> <ol style="list-style-type: none"> 1. Neither taxpayer dollars or the Star Fine should be used to support the voluntary account-based system as it provides no effective gambling harm or anti-money laundering mechanisms.
<p>Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.</p>	<p>NCOSS strongly opposes a tiered identity verification process for the following reasons:</p> <ol style="list-style-type: none"> 1. It adds complexity in a system that needs less complexity 2. Provides an avenue to create a work around from a gambling harm or anti-money laundering perspective 3. Reduces the incentive to create a very simple sign on experience for all users 4. Risks inadvertently creating a stigma for using the full identity verification as a 'non-casual' user and undermines the universal nature required to take a public health approach to an account-based gaming system. 5. It is not aligned with the Crime Commissioner's recommendation to ensure that EGMs are not used for money laundering. 6. It doesn't reflect the porous nature of Australia's state borders. The system should be built to allow

Executive Committee recommendation	Endorsement or alternative view
	for IDs issued by all states and territories.
Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).	Endorse conditional on this issue being specifically investigated as part of the evaluation process and if the inclusion of cash is contributing to gambling harm it should be phased out. The daily cash input limit should be linked to AML/CMF recommendations.
Recommendation 1.5: An account-based gaming system should include opt-out default non-binding spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.	<p>An account-based gaming system should include default and adjustable binding spend, deposit and time limits which should be based on independent research that aligns with a typical experience and gambling capacity of a citizen in NSW. Without binding limits, an account-based digital payment system could increase gambling harm rather than reduce it.</p> <p>During the implementation period (while it is voluntary), research should be undertaken to understand that best language to use to normalise the use of the limits and ensure that these mechanisms are considered a regular mechanism that everyone can use rather than something that is only useful to ‘the other people who are experiencing gambling harm’.</p> <p>Gamblers should be able to easily decrease their limits with these applied immediately. It is not possible to predict who in a population will develop a gambling program, and therefore providing a universal support system is likely to be the most effective. Evidence from YourPlay in Victoria shows that voluntary limits are ineffective. It stigmatises the use of limits, and those people who likely would benefit the most think that they don’t need the limit.</p>
Recommendation 1.6: An account-based gaming system should reduce the threshold for paying out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.	Endorse conditional on the use of cash in the account- based system being specifically investigated in the evaluation process. It should be easier or as easy to withdraw funds from a digital wallet as it is to make deposits.
Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.	Endorse.
Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.	Endorse. De-identified data should be made available at a venue level and an individual level to allow for independent research and analysis to be undertaken on gambling behaviour and gambling harm.
Recommendation 1.9: An account-based gaming system should be evaluated as part of the broader reforms evaluation.	Endorse. The evaluation should be undertaken independently and published automatically. A logic model should be developed to clarify the intended short-, medium- and long-term outcomes of each aspect of the gambling reforms.
Considerations for design and build of an account-based gaming system	
Recommendation 1.10: The NSW Government	Endorse, this should be independent technical

Executive Committee recommendation	Endorsement or alternative view
<p>ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine:</p> <ul style="list-style-type: none"> the most appropriate terminology for 'account-based gaming' from a customer perspective the most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools the most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate with regular players to enhance meaningful engagement with deposit limits the most effective ways to leverage data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend. 	<p>advice and/or research and consumer testing.</p>
Technical and system standards and privacy and data protections	
<p>Recommendation 1.11: The NSW Government:</p> <ul style="list-style-type: none"> ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts undertake a Privacy Impact Assessment as part of its considerations for the preferred approach for implementing account-based gaming. 	<p>Endorse.</p>
Infrastructure investment	
<p>Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.</p>	<p>Endorse conditional on the inclusion of several people with lived experience of gambling harm and the ongoing inclusion of gambling harm minimisation experts and advocates in the design and implementation of this significant reform.</p>
Impact on industry and employment	
<p>Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.</p>	<p>Endorse. This economic analysis should include both the benefit and cost of gambling to the NSW economy along with the revenue and employment impacts of both the current environment and proposed policy changes.</p>

Gaming machine operations and trading

Executive Committee recommendation	Alternative view
Gaming machine entitlement trading (LIA & GME leasing scheme)	
Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.	<p>Endorse conditional on the LIA process also being resourced appropriately (using a levy from industry – not taxpayers' dollars) to allow for proactive community consultation, as community organisations and members don't have the resources to proactively monitor LIA processes or pay staff or legal representation during the consultation process or as part of a potential legal challenge.</p> <p>If community contributions are retained, they should not be one off, instead should be an ongoing requirement (in line with the ongoing impact of additional EGMs in a community).</p>
Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions: <ul style="list-style-type: none"> ensure the lease agreement prices are reasonable with reference to market rates ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances require the scheme to be subject to forfeiture. 	<p>Alternative View. The Executive's Draft Road Map to government outlines the complexity of the EGM system in NSW and cites this as a barrier to comprehensive reform. Given this complexity and that the leasing scheme contributes to that complexity, it is NCOSS's view that the GME leasing scheme should be phased out over the course of the roadmap timeline.</p> <p>Should the leasing scheme be retained, there should be additional transparency created by regular reporting of who has leased which machines to who and for what price.</p>
Reducing the number of gaming machine entitlements (forfeiture and buy-backs)	
Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.	Endorse.
Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement a scheme, it should: <ul style="list-style-type: none"> be voluntary and open to NSW clubs and hotels be simple and transparent target the existing commitment of 2,000 GMEs over five years be priced at \$30,000 for a gaming machine entitlement be used to assist and incentivise venues to implement account-based gaming. 	Endorse. NCOSS does not support a taxpayer, community benefit fund or Star fine funded buy back scheme as it will have an imperceptible impact on EGM availability or gambling harm in NSW.
Gaming machine operating hours	
Recommendation 2.5: The NSW Government: <ul style="list-style-type: none"> retain the minimum six-hour shutdown period, commencing no later than 4am repeal all existing variations, allowing a transition period for venues <p>If the NSW Government chooses to implement a</p>	Alternative view. Considering significant evidence that shutdowns during the early hours of the morning, starting from midnight, contribute to the reduction of gambling harm it is shocking that there is no recommendation that the minimum shut down period is extended.

Executive Committee recommendation	Alternative view
new hardship variation it should be time-limited with very stringent criteria and still provide for a continuous six-hour shutdown period.	<p>This choice is particularly deleterious given the long lead time that is required to implement the mandatory account-based system and any gambling harm reduction that could be secured through that policy decision.</p> <p>NCOSS recommends that the mandatory shutdown be:</p> <ol style="list-style-type: none"> 1. Extended from 2am to 10am as a minimum for all non-casino venues who operate EGMs. 2. All existing variations are removed (as per proposed recommendation 2.5) and future variations should be well defined, aligned with a specific policy outcome and time limited. 3. EGM operations at hotels be aligned with their liquor licence where their liquor licence is more restrictive than the 2am to 10 am mandatory shutdown to ensure that hotels meet their primary purpose test. 4. Legislation requires mandatory shutdown periods to be reviewed on a five yearly basis.
Reducing the cash input limit on older gaming machines	
Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.	Endorse.

Harm minimisation measures

Executive Committee recommendation	Alternative view
Loyalty programs	
Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.	Endorse. The review should be undertaken independently and published automatically.
Community awareness and outreach	
Recommendation 3.2: The NSW Government consider: <ul style="list-style-type: none"> • implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome • increasing community outreach as part of GambleAware • supporting financial literacy school programs • ensuring the statewide register effectively complements support services. 	Endorse this recommendation but further suggest that in addition independent research is commissioned into ways to increase NSW gamblers' understanding of their chances of winning.
Gambling harm minimisation research	

Executive Committee recommendation	Alternative view
Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.	Endorse this recommendation but further suggest that NSW needs to show leadership in this space as the state with the largest population and the largest number of EGMs. Collaborative efforts to ensure best use of funds is great but there are unique circumstances in NSW that should also be researched. This would be further enhanced by greater availability of gambling use data at an individual and venue level, which will be possible through the implementation of the mandatory account-based system.
Gaming machine features	
Recommendation 3.4: The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the GMNS at a State level.	Endorse noting that we have no visibility of the agenda or timeframes of the GMNS forum. We suggest the Executive specify the reforms in the road map and recommend to government to make a public commitment to implementing these reforms as part of accepting the road map from the executive.
Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per spin with other states and move toward a nationally consistent approach.	Endorse
Gaming machine advertising	
Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.	Endorse and extend to cover all NSW government property, including Transport NSW (which currently carries gambling and social casino advertising).

Legislative reform

Executive Committee recommendation	Alternative view
Recommendation 4.1: The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.	Endorse.
Recommendation 4.2: The NSW Government conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.	Endorse, and further recommend in the interests of transparency and promoting trust in the system, that any evaluation be automatically published.
Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to: <ul style="list-style-type: none"> • ensure that the gaming legislative framework is modern and remains fit for purpose • review the penalty provisions to ensure they remain appropriate • review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility. 	Endorse. and further recommend in the interests of transparency and promoting trust in the system, that any evaluation be automatically published.

Allocation of funding

Executive Committee recommendation	Alternative view
Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives: <ul style="list-style-type: none"> the implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements the development and implementation of the statewide exclusion register, with ongoing maintenance to be industry funded system-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded. 	<p>Endorse some of the \$100M contributing to the implementation of mandatory account-based gambling system but these costs should be shared by the operators and owners who make a profit from EGM gambling in NSW.</p> <p>The exclusion register should be funded by the gambling industry, just as the online gambling sector has funded the construction and on-going operations of BetStop.</p> <p>The Star fine should not be used to pay for costs associated with the implementation of FRT. No independent trialling or evaluation has ever been made available regarding the effectiveness of FRT.</p>
Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify: <ul style="list-style-type: none"> how additional funds can be directed to fund support services and independent gambling research potential alternative funding sources for the RGF. 	Endorse.
Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.	Endorse.

Sequencing of Roadmap reforms

Executive Committee recommendation	Alternative view
2024: <ul style="list-style-type: none"> Allow trial participants to adopt account-based gaming NSW Government determine timeframes for: <ul style="list-style-type: none"> Working with the Responsible Gambling Fund on increasing community outreach as part of GambleAware, supporting financial literacy school programs, identifying how additional funds can be directed to fund support services and independent gambling research, and identifying alternative funding sources Considering alignment of the maximum bet amount with other jurisdictions Evaluating the Roadmap reforms. 	<p>'Gaming' should be replaced with 'gambling' throughout.</p> <p>Noting alternative views expressed earlier in the document, if the roadmap goes ahead as planned, I believe the timeline is reasonable.</p>
2025: <ul style="list-style-type: none"> Amend legislation to enable voluntary adoption of account-based gaming Establish account-based gaming Implementation Committee Complete analysis regarding impact on industry (including employment and revenue) and the social costs of gambling. 	

Executive Committee recommendation	Alternative view
<ul style="list-style-type: none"> • Commission research/advice/consumer testing on account-based gaming design • Commence procurement and/or build of account-based gaming system • Amend legislation to simplify the Local Impact Assessment process and increase transparency • Amend legislation to revise the GME leasing scheme to be subject to forfeiture, ensure only venues that are trading utilise the scheme & that lease agreement prices are reasonable • Amend legislation to simplify forfeiture and exemptions to help reduce the number of GMEs in NSW • Amend legislation to revise operating hour variation application criteria and repeal all existing gaming machine operating hour variations • Amend legislation to implement mandatory outcomes calculation signage • Modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling. 	
2026: <ul style="list-style-type: none"> • Allow venues to voluntarily adopt venue-based account-based gaming • Introduce a buy-back scheme (if implemented) • Review loyalty programs. 	
2027: <ul style="list-style-type: none"> • Launch the centralised account-based gaming system. 	
2028: <ul style="list-style-type: none"> • Mandate account-based gaming statewide • Reduce all cash input limits to \$500 • Undertake a statutory review of the Gaming Machine Act. 	

NSW Police Force

Account-based gaming

Executive Committee recommendation	Endorsement or alternative view
Principles	
Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this.	endorsed
Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should: <ul style="list-style-type: none"> consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready determine the approach for the mandatory implementation of a statewide account-based gaming system, including appropriate considerations for border towns. 	endorsed
Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.	endorsed
Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).	endorsed
Recommendation 1.5: An account-based gaming system should include opt-out default non-binding spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.	endorsed
Recommendation 1.6: An account-based gaming system should reduce the threshold for paying out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.	endorsed
Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.	endorsed
Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.	endorsed
Recommendation 1.9: An account-based gaming	endorsed

Executive Committee recommendation	Endorsement or alternative view
system should be evaluated as part of the broader reforms evaluation.	
Considerations for design and build of an account-based gaming system	
<p>Recommendation 1.10: The NSW Government ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine:</p> <ul style="list-style-type: none"> the most appropriate terminology for 'account-based gaming' from a customer perspective the most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools the most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate with regular players to enhance meaningful engagement with deposit limits the most effective ways to leverage data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend. 	endorsed
Technical and system standards and privacy and data protections	
<p>Recommendation 1.11: The NSW Government:</p> <ul style="list-style-type: none"> ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts undertake a Privacy Impact Assessment as part of its considerations for the preferred approach for implementing account-based gaming. 	endorsed
Infrastructure investment	
<p>Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.</p>	endorsed
Impact on industry and employment	
<p>Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.</p>	endorsed

Gaming machine operations and trading

Executive Committee recommendation	Alternative view
Gaming machine entitlement trading (LIA & GME leasing scheme)	
Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.	endorsed
Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions: <ul style="list-style-type: none"> • ensure the lease agreement prices are reasonable with reference to market rates • ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances • require the scheme to be subject to forfeiture. 	endorsed
Reducing the number of gaming machine entitlements (forfeiture and buy-backs)	
Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.	endorsed
Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement a scheme, it should: <ul style="list-style-type: none"> • be voluntary and open to NSW clubs and hotels • be simple and transparent • target the existing commitment of 2,000 GMEs over five years • be priced at \$30,000 for a gaming machine entitlement • be used to assist and incentivise venues to implement account-based gaming. 	endorsed
Gaming machine operating hours	
Recommendation 2.5: The NSW Government: <ul style="list-style-type: none"> • retain the minimum six-hour shutdown period, commencing no later than 4am • repeal all existing variations, allowing a transition period for venues <p>If the NSW Government chooses to implement a new hardship variation it should be time-limited with very stringent criteria and still provide for a continuous six-hour shutdown period.</p>	endorsed
Reducing the cash input limit on older gaming machines	
Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.	endorsed

Harm minimisation measures

Executive Committee recommendation	Alternative view
Loyalty programs	
Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.	endorsed
Community awareness and outreach	
Recommendation 3.2: The NSW Government consider: <ul style="list-style-type: none"> • implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome • increasing community outreach as part of GambleAware • supporting financial literacy school programs • ensuring the statewide register effectively complements support services. 	endorsed
Gambling harm minimisation research	
Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.	endorsed
Gaming machine features	
Recommendation 3.4: The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the GMNS at a State level.	endorsed
Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per spin with other states and move toward a nationally consistent approach.	endorsed
Gaming machine advertising	
Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.	endorsed

Legislative reform

Executive Committee recommendation	Alternative view
Recommendation 4.1: The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.	endorsed
Recommendation 4.2: The NSW Government	endorsed

Executive Committee recommendation	Alternative view
conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.	
Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to: <ul style="list-style-type: none"> ensure that the gaming legislative framework is modern and remains fit for purpose review the penalty provisions to ensure they remain appropriate review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility. 	endorsed

Allocation of funding

Executive Committee recommendation	Alternative view
Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives: <ul style="list-style-type: none"> the implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements the development and implementation of the statewide exclusion register, with ongoing maintenance to be industry funded system-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded. 	endorsed
Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify: <ul style="list-style-type: none"> how additional funds can be directed to fund support services and independent gambling research potential alternative funding sources for the RGF. 	endorsed
Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.	Neutral on this.

Sequencing of Roadmap reforms

Executive Committee recommendation	Alternative view
2024: <ul style="list-style-type: none"> Allow trial participants to adopt account-based gaming NSW Government determine timeframes for: <ul style="list-style-type: none"> Working with the Responsible Gambling Fund on increasing community outreach as part of GambleAware, supporting financial literacy school programs, identifying how additional funds can be 	Timeframe endorsed.

Executive Committee recommendation	Alternative view
<p>directed to fund support services and independent gambling research, and identifying alternative funding sources</p> <ul style="list-style-type: none"> ○ Considering alignment of the maximum bet amount with other jurisdictions ○ Evaluating the Roadmap reforms. 	
<p>2025:</p> <ul style="list-style-type: none"> • Amend legislation to enable voluntary adoption of account-based gaming • Establish account-based gaming Implementation Committee • Complete analysis regarding impact on industry (including employment and revenue) and the social costs of gambling. • Commission research/advice/consumer testing on account-based gaming design • Commence procurement and/or build of account-based gaming system • Amend legislation to simplify the Local Impact Assessment process and increase transparency • Amend legislation to revise the GME leasing scheme to be subject to forfeiture, ensure only venues that are trading utilise the scheme & that lease agreement prices are reasonable • Amend legislation to simplify forfeiture and exemptions to help reduce the number of GMEs in NSW • Amend legislation to revise operating hour variation application criteria and repeal all existing gaming machine operating hour variations • Amend legislation to implement mandatory outcomes calculation signage • Modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling. 	Timeframe endorsed
<p>2026:</p> <ul style="list-style-type: none"> • Allow venues to voluntarily adopt venue-based account-based gaming • Introduce a buy-back scheme (if implemented) • Review loyalty programs. 	A review of loyalty programs could take place at anytime.
<p>2027:</p> <ul style="list-style-type: none"> • Launch the centralised account-based gaming system. 	Timeframe is endorsed, however if there is a opportunity to commence it earlier then that should be taken
<p>2028:</p> <ul style="list-style-type: none"> • Mandate account-based gaming statewide • Reduce all cash input limits to \$500 • Undertake a statutory review of the Gaming Machine Act. 	Depending upon progress some of these matters could be brought forward.

Professor Gainsbury

Dr. Sally Gainsbury
Professor, School of Psychology
Director, Gambling Treatment and Research Clinic
Brain and Mind Centre
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25 November 2024

Response to the Draft Roadmap for Gaming Reform

Dear Chair and Executive,

I would like to express my gratitude for you in acting in your roles and commend you on the difficult task of deliberating and creating a draft roadmap for gaming reform. I appreciate the opportunity to have served on the Independent Panel for Gaming Reform and contribute my perspectives particularly informed by my research and clinical expertise. I would like to outline my initial response to the Draft Roadmap document below. Please note that at time of writing this response I have only seen a draft version of the 'Digital Gaming Wallet Trial' produced by 3arc Social and I have provided substantive comments on this report as I do not think it appropriately reports on the Trial outcomes nor makes appropriate recommendations based on the findings of the Trial.

Overall feedback

I have been consistent with my advice to the NSW Government since December 2020 when I submitted my response through the University of Sydney Gambling Treatment and Research Clinic to the proposed Gaming Machines Amendment (Gambling Harm Minimisation) Bill 2020. In this submission, which was not published, I stated:

Noteworthy risks [of the introduction of account-based gambling] include the reduced psychological salience of cashless transactions ('tokenisation', making money seem less 'real' compared to cash), and the potential elimination of natural breaks in play inherent in cash-based EGM [electronic gaming machine] gambling (suspension of play to withdraw additional funds from ATMs outside the gaming floor). However, if systems are implemented with robust and effective controls to mitigate risks, it seems plausible that cashless gambling might incorporate important strategic potential that could contribute to minimising harms associated with gambling.

Cashless gambling has the potential to exacerbate gambling harms in NSW. The strategic value of an account-based system is to provide a mechanism through which stringent harm-minimisation features can be introduced in a customised, individual manner for all EGM users. These include, but are not limited to:

- age verification
- integration with a state-wide self-exclusion system
- provision of state-wide binding spend limits
- increased friction on deposits
- breaks in play
- immediate processing of withdrawals to bank accounts
- immediate time-outs
- mandatory pushed activity statements
- automated monitoring and personalised interventions.

Further details outlining the potential advantages and disadvantages of cashless and account-based gambling are published in a peer-reviewed academic journal article¹.

¹ Gainsbury, S. M., & Blaszczynski, A. (2020). Digital gambling payment methods: Harm minimization policy considerations. *Gaming Law Review*, 24(7), 466-472. <https://doi.org/10.1089/glr.2020.0015>

A brief summary of some of the key points of my submission to the draft gaming reform roadmap includes:

- I am supportive of the implementation of a mandatory account-based gaming system provided that it has all of the following features integrated at the time of implementation:
 - age verification, integration with a state-wide self-exclusion system, provision of state-wide binding spend limits, increased friction on deposits, breaks in play, immediate processing of withdrawals to bank accounts, real-time time-outs, mandatory pushed activity statements, and the provision of automated monitoring and personalised interventions
- I do not support the implementation of a system which allows EGM customers to make payments through electronic funds transfers if it does not have the mandatory harm minimisation features as outlined above as cashless payments could lead to additional harms.
- I am supportive of a single mandatory registration process for all EGM users without exception which is designed to be relatively simple to register for and use. I recommend biomarkers be integrated into the system to reduce the likelihood of card-swapping.
- I recommend research be commissioned to identify default limits for daily, weekly, and monthly spend to be implemented for all EGM players at clubs and hotels.
- I support commissioning of independent research to inform the design of an account-based system which considers consumer input and informs optimal ways to present harm-minimisation features to encourage meaningful uptake and engagement.
- I support an independent evaluation of the gaming reform work implemented.
- I recommend the NSW Government implements an EGM shutdown between 2am and 10am with no exceptions other than casinos.
- I do not support a buy-back scheme and recommend further efforts to meaningfully reduce the availability of EGMs in NSW, particularly in local communities and neighbourhood venues.
- I recommend that the gaming industry make substantial financial contributions to the implementation and maintenance of an account-based gaming system, state-wide self-exclusion system and pay for the entirety of facial recognition technology.

Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this

I am supportive of the proposal that an account-based system should be implemented in all NSW EGM venues that is integrated with a centralised database for all players such that it would not be possible to play an EGM without having an account which is linked to a verified identity without exception. This support is predicated on the inclusion of comprehensive harm minimisation measures being integrated into the system including binding spend and deposit limits, mandatory activity statements, links with a state-wide self-exclusion system, increased friction and delays, the ability to take time-outs, and automated monitoring for risky behaviours.

One-quarter of participants in a survey of 204 regular EGM customers at a large venue in Western Sydney stated that they intended to use an account-based system if it were available, although more than half (59%) were unlikely to use the system². The responses indicate notable concerns participants had in the lack of any substantial information about the system, including concerns about not being able to use cash, that they would spend more than intended with bank transfers, and that their personal information would be compromised either by data leaks, hacking, or being accessed by government/banks/gambling venues. Nonetheless, participants also saw benefits of an account-based system including the ability to track gambling spend (reported as a benefit by 51%), set binding spending limits (50%) and time limits (37%), and lock gambling accounts temporarily (45%). The responses indicate that with appropriate marketing, regular EGM consumers may see benefits in the implementation of an account-based system with strong harm-minimisation features.

Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should:

- *Consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready*
- *Determine the approach for the mandatory implementation of a statewide account-based gaming system, including appropriate considerations for border towns.*

I am supportive of an account-based system being mandatory for all EGM venues and all customers who wish to play EGMs in NSW without exception. I would encourage the government to consider ways to incentivise venues to be early adopters of the voluntary technology as well as mandatory technology. For example, practical support should be offered to early adopters particularly related to assistance in onboarding customers to ease the transition to the system.

I strongly recommend that the Government commits to a specific time frame for mandatory account-based gambling to be implemented in NSW.

Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.

I am strongly opposed to a proposal for any tiered system which would have reduced identity verification requirements or reduced harm-minimisation features for any individuals as this has the potential to undermine the system by creating a culture of card-swapping. I recommend that reference to a tiered-system should be removed from the gaming reform roadmap as well as the 3arc report as this recommendation is not based on any data arising from the trial.

I recommend efforts be made to investigate the integration of biomarkers to ensure that accounts are used by one individual only and prevent card-swapping, which is highly likely to occur without

² Gainsbury, S., Santos, T., Heirene, R., Chandrakumar, D. (2024). *Account-based gambling. Insights from a large EGM Venue in Western Sydney*. Gambling Treatment and Research Clinic, University of Sydney.

design features to prevent this.

Some of the reported barriers to consumers signing up for account-based systems are that this process is time-consuming, individuals lack the technical ability to link their identification documents, that individuals are concerned about the security of their personal information, and individuals are worried about their gambling being tracked. These barriers are consistently reported across research including recent trials in NSW venues as well as consumer-based research. It is critical that these barriers are addressed to encourage consumers to engage with account-based gambling.

Practical solutions include designing the system to make it as easy and simple to onboard users as possible as well as ensuring that there is sufficient support provided within venues by staff as well as appropriate user guides and communication to assist users to complete the registration process. As seen in previous rollouts of government system (e.g., online proof of vaccination), technical barriers can be overcome by a large proportion of the population. Efforts are needed to make the process of identity verification as easy as possible, and this is likely with further refinements over time. For example, consumers can now verify their identity relatively easily to enrol in the national self-exclusion system for online wagering as well as to register with online wagering providers. The system trialled included a requirement to have a physical form of identification checked, suggesting that ironically, it is the lack of use of digital methods of identification verification that was a barrier to this technology. In future iterations of an account-based system it is highly likely that the identity verification process can be made simpler and easier. As such, it is likely not necessary to have a tiered-system of identity verification.

Attitudes can be influenced by information about account-based gambling including the safeguards in place to protect personal information and limits to what is stored and who has access to this. Individuals are increasingly comfortable with the requirement to verify their identity online with a variety of vendors if they understand the need for this and the benefits for themselves and others. Appropriate communication campaigns will likely be helpful in overcoming reluctance although it is likely that tailored campaigns will be needed to address specific consumer concerns.

The proposed solution for having reduced identity verification requirements for visitors to NSW and casual players is very likely to create more problems than it will solve. As there is no requirement for people to obtain NSW-based identity when they move to NSW, it is highly likely that many people who genuinely reside in NSW will have current identification documents from other jurisdictions, either inter-state or overseas. Given the option, it would be much easier and as such preferable for people to use their non-NSW identification documents to bypass the account-based system.

No details have been provided for what represents a 'casual player' for the purposes of accessing reduced identification requirements. It is also not clear what the reduced requirements will be. The 3arc report of the Trial concluded that the potential for the technology to offer player advantages through enhanced transparency including wallet transfers and activity statements were well received by "all stakeholders" and "felt by many to be equally important to casual players as well as those experiencing gambling problems".³ The ability for casual players to be excluded from these features through the ability to play with a system with reduced identity features is concerning as these are intended to prevent gambling harms. The report states that "it is clear that under the 'hybrid model' scenario, the potential impact on safer gambling is diluted".⁴ Section 3.4.1 of the Trial report indicates that four of the six infrequent gamblers included in the non-user sample indicated that the digital wallet would make "no difference to how often they played gaming machines" although this would represent "a hassle".

There are important lessons to learn from the Nova Scotia experience of having a two-tiered system of account-based gambling for the unsuccessful *My Play*, as well as the Victorian implementation of *Your Play*.

³ Draft trial report pg. 284

⁴ Draft trial report pg. 284

My Play was introduced in Nova Scotia, Canada, in 2010 following several years of pilot research including in situ trials. The system was initially introduced in a hybrid manner, allowing voluntary use with the intention of allowing venues and customers to become familiar with this, before it was mandated in 2012, although the use of harm minimisation features including limit setting and activity statements was optional. Initial evaluations indicated that the system has significant benefits for those who used it, and the benefits were greater among those experiencing more severe gambling harms⁵. However, due to political pressure from the gambling industry, the system was changed prior to mandatory use to allow a system of 'light endorsement' which allowed customers to access cards without identification requirements. This last-minute change effectively undermined the entire system which was subsequently withdrawn in 2014. Subsequent evaluations revealed that 99.9% of play was through non-identifiable cards of which 2.4 million cards were issued in a jurisdiction with a population of one million people.⁶ The system was reported to cost the Nova Scotia Government CA\$20 million. A review of the system by the Australian Institute for Family Studies concluded that using the 'full enrolment option' quickly became highly stigmatised as it was seen as indicating that someone had a 'gambling problem' if they used this. The AIFS concluded that a universal system, requiring all EGM customers to use the same system, is essential as it normalises use of the system and allows all customers to interact with all features, and experience their benefits without feeling social pressure or stigma.

Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).

Allow account-based play without linking bank accounts

One of the key conclusions from the Trial report is that linking a bank account to a gaming account "makes this technology solution time-consuming and onerous for some people". A similar concern was clear in research with 204 EGM customers at a Sydney venue in which both the ability to transfer funds from a bank account and the lack of a need to pay with cash were more likely to be seen as a disadvantage than an advantage.⁷ Qualitative findings showed that EGM customers were concerned about banks monitoring their gambling spend, and that having to pay with electronic transfers would increase their gambling as they would have less self-control in comparison to cash payments. There were mixed views on the ease of using cash as opposed to digital transactions with preferences in both directions. The findings from the study support ensuring customers have the ability to continue to use cash to play EGMs and not requiring customers to have to link their bank accounts with account-based gaming systems.

Impose harm-reduction into systems which permit electronic funds transfers

The harm-minimisation benefits of account-based gambling are not related to the way in which this is funded. In fact, there is a notable base of research demonstrating that electronic payment methods increase spend by reducing awareness and salience of funds, including for gambling.^{8,9} There are potentially detrimental consequences of enabling electronic methods to fund EGM gambling. Cashless transactions typically have lower psychological salience, making money seem

⁵ Schellinck, T., & Schrans, T. (2010). Evaluating the impact of the "My-Play" system in Nova Scotia Phase 1: Regular VL player benchmark survey. Technical report. Halifax, Nova Scotia: Focal Research Consultants Ltd.

⁶ Nova Scotia House of Assembly, Committee on Public Accounts. (2015, September 16). *Meeting on responsible gambling and prevention of problem gambling*. Nova Scotia Legislature. <https://nslegislature.ca/legislative-business/committees/standing/public-accounts/archive/public-accounts/pa2015sep16>

⁷ Gainsbury, S., Santos, T., Heirene, R., Chandrakumar, D. (2024). *Account-based gambling. Insights from a large EGM Venue in Western Sydney*. Gambling Treatment and Research Clinic, University of Sydney.

⁸ Swanton, T. B., Lee, T., Kim, S., Collard, S. B., Garbarino, E., Gainsbury, S. M., & Srivastava, J. (2022). *Evaluating evidence for the cashless premium: A meta-analytic review*. Association for Consumer Research Annual Conference, Denver, CO.

⁹ Gainsbury, S. M., & Blaszczynski, A. (2020). Digital gambling payment methods: Harm minimization policy considerations. *Gaming Law Review*, 24(7), 466-472.

less ‘real’ compared to cash which can reduce awareness of gambling expenditure.^{7,10,11} Consumers are typically less aware of their spending and are willing to spend more when paying with cashless methods relative to cash. These impacts can potentially be reduced through the design of a cashless payment system. For example, when making a deposit into a digital wallet, or from a wallet to an EGM, there may be multiple steps requiring individuals to confirm the amount they wish to spend. Messages may include information to enhance the salience of spend, such as normative feedback (e.g., indicating if the amount is higher than most customers or relative to the customer’s own previous spend). Alternatively, calculator features may include projections of what the spend would look like if it were repeated weekly, or what else that amount of money might represent if spent on non-gambling consumption opportunities. Even simple messages encouraging self-reflection (e.g., “Are you happy to lose \$X?”) may enhance informed decision-making. In addition to attempting to influence cognitions and intent, these messages also act as friction, requiring multiple steps to achieve the action of making a deposit and/or transfer of funds.

To further reduce the potential increased gambling due to electronic funds, it is recommended that automatic delays be imposed on any deposits following the first deposit of the same day. Research suggests that multiple ATM withdrawals or deposits to online gambling accounts within one day and/or gambling session is associated with the experience of gambling problems.^{12,13,14,15,16} This should reset at the time of venue closing rather than midnight to prevent extended gambling sessions. Longer breaks are likely to be more effective than shorter breaks, as discussed in the comments above in reference to breaks in play.

***Recommendation 1.5:** An account-based gaming system should include opt-out default non-binding spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.*

Limits must be binding

I strongly oppose deposit limits being non-binding. If a limit is not binding, it does not meet the definition of a limit. Rather it is a notification to customers that they have gambled a certain amount. There is evidence from real world trials that limits are effective for gambling customers and lead to reduced expenditure, particularly for those experiencing gambling problems.^{17,18,19} There is minimal evidence that notifications are effective in changing consumer behaviour.

One of the main conclusions from the Trial report was that “the incorporation of responsible gambling features, particularly limit-setting and player activity statements, was well received.” However, the consensus was that limit setting features would only be used if they are mandatory, and therefore the impact on harm minimisation is contingent on this.²⁰ This is consistent with an experimental trial involving 363 regular Australian EGM players to determine their preferences for

¹⁰ Palmer, L., Cringle, N., & Clark, L. (2022). A scoping review of experimental manipulations examining the impact of monetary format on gambling behaviour. *International Gambling Studies*, 22(3), 499-521. <https://doi.org/10.1080/14459795.2022.2041067>

¹¹ Hing, N., Cherney, L., Gainsbury, S. M., Lubman, D. I., Wood, R. T., & Blaszczynski, A. (2015). Maintaining and losing control during Internet gambling: A qualitative study of gamblers’ experiences. *New Media & Society*, 17(7), 1075–1095. <https://doi.org/10.1177/1461444814521140>

¹² Delfabbro, P., Thomas, A., & Armstrong, A. (2016). Observable indicators and behaviors for the identification of problem gamblers in venue environments. *Journal of behavioral addictions*, 5(3), 419-428.

¹³ The Behavioural Insights Team in partnership with GambleAware (2018). Can behavioural insights be used to reduce risky play in online environments? <https://www.bi.team/publications/can-behavioural-insights-be-used-to-reduce-risky-play-in-online-environments/>

¹⁴ Haeusler, J. (2016). Follow the money: using payment behaviour as predictor for future self-exclusion. *International Gambling Studies*, 16(2), 246–262. <https://doi.org/10.1080/14459795.2016.1158306>

¹⁵ Ukhov, I., Bjurgert, J., Auer, M., & Griffiths, M. D. (2021). Online Problem Gambling: A Comparison of Casino Players and Sports Bettors via Predictive Modeling Using Behavioral Tracking Data. *Journal of Gambling Studies*, 37(3), 877–897. <https://doi.org/10.1007/s10899-020-09964-z>

¹⁶ Auer, M., & Griffiths, M. D. (2022). Using artificial intelligence algorithms to predict self-reported problem gambling with account-based player data in an online casino setting. *Journal of Gambling Studies*. <https://doi.org/10.1007/s10899-022-10139-1>

¹⁷ Auer, M., Hopfgartner, N., & Griffiths, M. D. (2020). The effects of voluntary deposit limit-setting on long-term online gambling expenditure. *Cyberpsychology, Behavior, and Social Networking*, 23(2), 113-118.

¹⁸ Heirene, R. M., Vanichkina, D. P., & Gainsbury, S. M. (2021). Patterns and correlates of consumer protection tool use by Australian online gambling customers. *Psychology of Addictive Behaviors*, 35(8), 974.

¹⁹ Delfabbro, P. H., & King, D. L. (2021). The value of voluntary vs. mandatory responsible gambling limit-setting systems: A review of the evidence. *International Gambling Studies*, 21(2), 255-271.

²⁰ Draft trial report pg. 285

the design of an account-based cashless gambling system. In this trial, there was a preference for a mandatory rather than optional spend limit, although consumers preferred to set the limit themselves.²¹ Subgroup analyses indicate this preference is stronger among gamblers at higher risk of harm. This unexpected finding highlights the value of preference elicitation studies for validating assumptions and suggests that regular EGM gamblers recognise that voluntary and non-binding limits have little value for preventing impulsive gambling. Prior literature shows that a major barrier to gamblers using strategies to limit their gambling is not believing that the strategy will work,²² which may partly explain the very low uptake of existing voluntary precommitment systems.^{23,24}

Similarly, in a survey of 204 regular EGM consumers from a Sydney venue, 49% of respondents reported that the ability to set limits was an advantage of the system compared to 25% who saw this as a disadvantage, and this was confirmed in interviews indicating players were generally positive towards limits²⁵.

A previous qualitative study of EGM players also found that most saw limits as beneficial either for themselves, or for others²⁶. As such, all research to date indicates that EGM players have a positive view of limits and see the value of these, particularly for those who have difficulty controlling their gambling.

A report on pre-commitment for EGMs completed by the Australian Institute for Family Studies included a review of research and jurisdictional inquiries and concluded that:

*“The best available evidence demonstrates that well-designed, binding, full systems are likely to be the most effective in supporting gamblers to adhere to limits. It is not possible to predict who in a population will develop a gambling problem, and therefore providing a universal support system is likely to be the most effective (Rose, Khaw, & Marmot, 2008). A full pre-commitment design aligns with a public health approach that recognises universal, population-wide strategies are the most effective in reducing harm from gambling.... While in a venue, and surrounded by visual and auditory cues to spend, earlier intentions to limit spending may be overridden, for example by an urge to chase losses, and use may continue to escalate. Non-binding systems may simply serve as reminders rather than actively support gamblers at such critical junctures”.*²⁷

The report found no evidence that individuals would set higher limits than relevant for them and that all research indicated that binding self-set limits were effective in assisting people to reduce their gambling harms as they were able to set these away from gaming stimuli and then be subsequently bound to their own pre-committed intended levels of spend.

The technology providers for the trial were required to include binding deposit limits as a feature for customers to use. As such, this technology is already implemented in venues. Modifying limits to be non-binding would be rolling back and greatly reducing the effectiveness of harm reduction features already in place in account-based gambling system and contrary to the aim of these systems to meaningfully reduce gambling harms. The inclusion of non-binding limits would undermine the

²¹ Swanton, T.B., Garbarino, E., Collard, S.B., & Gainsbury, S.M. (under review) Preferences for cashless gambling payment systems with integrated harm reduction measures among electronic gaming machine gamblers: A discrete choice experiment.

²² Hing, N., Nuske, E., & Gainsbury, S. M. (2011). Gamblers at-risk and their help-seeking behaviour. Gambling Research Australia. <https://www.gamblingresearch.org.au/sites/default/files/2019-10/Gamblers-at-risk-and-their-help-seeking-behaviour.pdf>

²³ Delfabbro, P., & King, D. L. (2021b). The value of voluntary vs. mandatory responsible gambling limit-setting systems: A review of the evidence. International Gambling Studies, 21(2), 255–271. <https://doi.org/10.1080/14459795.2020.1853196>

²⁴ Thomas, A., Christensen, D., Deblaquiere, J., Armstrong, A., Moore, S., Carson, R., & Rintoul, A. (2016). Review of electronic gaming machine pre-commitment features: Limit setting. Australian Gambling Research Centre, Australian Institute of Family Studies. https://aifs.gov.au/sites/default/files/publication-documents/agrc-precommitmentlimit-setting_0.pdf

²⁵ Gainsbury, S., Santos, T., Heirene, R., Chandrakumar, D. (2024). *Account-based gambling. Insights from a large EGM Venue in Western Sydney*. Gambling Treatment and Research Clinic, University of Sydney.

²⁶ Swanton, T.B., Tsang, S., Collard, S.B., Garbarino, E., Gainsbury, S. M. (2023). Cashless gambling: Qualitative analysis of consumer perspectives regarding the harm minimisation potential of digital payment systems for electronic gaming machines. *Psychology of Addictive Behaviors*. <https://doi.org/10.1037/adb0000962>

²⁷ Rintoul, A., & Thomas, A., (2017) Pre-commitment systems for electronic gaming machines. AGRC Discussion Paper #9. Australian Institute for Family Studies. Australian Government. https://aifs.gov.au/sites/default/files/publication-documents/1707_agrc_dp9-pre-commitment_0.pdf pg 8

system as it would reduce the positive attitudes of consumers towards the system and perceived advantages in the system as reducing gambling harm, particularly for those who struggle to control their own gambling.

Default limits

I am highly supportive of making limits a default and requiring consumers to opt-out of setting these. It will be important to design these to be presented in a manner that normalises the use of limits to encourage consumers to set these and keep them in place as part of a sustainable and healthy approach to gambling. I recommend the most appropriate terminology be considered and tested with consumers; for example, 'budget' or 'intended spend', may be more appropriate than 'limit'. To be a default, it should be easier to set and keep a limit in place than to opt-out of this. Friction should be incorporated into the opt-out process to encourage consumers to reflect on this and whether it is in their best interest to opt-out. It is essential that limits be de-coupled from any reference to gambling harms or problems and be positioned as a general part of EGM play intended for all consumers. This is consistent with findings from a study into why Australian online wagering customers use (or do not use) deposit limits).²⁸

I support the determinant of maximum limits for EGMs per day, week, and month, similar to what the Tasmanian Government has committed to within all clubs and hotels. Default loss limits are an important anchor for all EGM customers for what a typical amount to spend on EGMs is. This is important as it is difficult for customers to assess what other players typically spend reducing in a lack of social norms and expectation to guide what would be appropriate and sustainable gambling behaviours. What any individual can afford to spend on gambling is related to their own unique situation and disposable income, which is highly varied. Nonetheless, EGMs are a risky product, and many people spend much more than they can afford. Defaults set an important precedent by clarifying that EGMs are intended as an entertainment activity and not intended as a major source of spend.

Hotels and clubs are located in communities and intended as community venues. EGMs are intended as an entertainment device. It is inconsistent with the provision of EGMs within local communities to allow people to gamble with no limits on their expenditure. Figures on EGM spend clearly demonstrate that people are spending extraordinarily large amounts of money. If the NSW Government is serious about gambling reform and reducing gambling harms, specific limits should be determined for EGMs.

The variability in what would be considered affordable for EGM customers is why the amount spent has never been used as a risk indicator of problematic gambling. Nonetheless, lower-risk guidelines have been recently produced based on analysis of prevalence studies internationally and within Australia.²⁹ These suggest that people should spend no more than two per cent of take-home pay on gambling, indicating again that affordable spend is relative to discretionary expenditure. As these are based on self-reported spend levels, further research is needed using objective data in relation to markers of affordability and gambling harms to identify appropriate limits for EGM spend per day, month, or year. Nonetheless, customers should be provided with recommended benchmarks and tools to assist them in identifying what is affordable for them to spend and encouraged to set their own limits and be able to reduce these immediately.

Customers should be able to easily decrease their limits, with these applied immediately. Processes could be developed to enable customers to increase their limits after verifying the affordability of this. Any increase in limits should follow a delay that is appropriate to the previous limit in place. Any increase to limits would have to be reviewed regularly to ensure that this is still affordable for customers. Individuals experiencing gambling harms are likely to want to increase their spend limits.

²⁸ University of Sydney, Brain and Mind Centre – Gambling Treatment and Research Clinic. (2024). *Investigating the barriers for deposit limit use*. <https://www.sydney.edu.au/content/dam/corporate/documents/brain-and-mind-centre/investigating-the-barriers--latest.pdf>

²⁹ Dowling, N. A., Greenwood, C. J., Merkouris, S. S., Youssef, G. J., Browne, M., Rockloff, M., & Myers, P. (2021). The identification of Australian low-risk gambling limits: A comparison of gambling-related harm measures. *Journal of Behavioral Addictions*, 10(1), 21-34. <https://doi.org/10.1556/2006.2021.00012>

As such, any process to enable spend beyond default levels should be quite stringent to ensure that the spend is affordable and not resulting in harm for individuals or those around them such as failure to make child support payments or spending money in joint accounts without knowledge of the other party. Checks should also consider risks related to money laundering and criminal activity, including financial abuse. Ideally, objective data should be used to determine affordability such as credit checks which search for any loans including payday loans and markers of financial vulnerability such as missing payments. Before people apply to increase their limits, they should be required to interact with tools to help them review their own financial wellbeing and consider the costs of their current gambling including in comparison to other savings goals, necessary or lifestyle expenses.

Time limits

In addition to spend limits, customers should be able to opt to set a time limit. Individuals often spend more time playing EGMs than they intended, however, there has been minimal interest in time limits among EGM customers³⁰. As such, efforts will likely be needed to highlight the benefits of using these limits for individuals. In addition to time limits, individuals may be able to set a notification for themselves alerting them after a certain time per session, which may be more useful than an overall time limit per day/week/month. Ideally, individuals would be able to specify account-based parameters such as being able to lock their accounts at specific times such as 12-10am or during hours when they have other responsibilities or activities that they find themselves neglecting.

Recommendation 1.6: An account-based gaming system should reduce the threshold for paying out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.

I support this recommendation. I further support consideration of making it easy for customers to easily and potentially automatically withdraw funds from EGMs into bank accounts. Research by my team has found that EGM customers have a very low awareness of how much money they are winning, losing, and spending on EGMs. Few customers accurately recalled their past 30-day net outcome (i.e., total amount won or lost; 5.8%), win (10.6%), and total spend (2.5%). On average, participants who underestimated their wins did so by 85% and those who overestimated it did so by 1732%.³¹ This is likely due to the nature of EGMs depositing all wins into the existing credit meter and having no natural breaks in play, so it is very easy for customers to continue to gamble until they have no credits left.

It should be easier or as easy to withdraw funds from a digital wallet as it is to make deposits. Individuals should be encouraged to withdraw funds from their digital wallet after they have finished a session of play rather than leaving funds in their account. This is due to the tendency to view funds in a gambling digital wallet as dedicated for gambling, rather than being fungible and used for other non-gambling purposes. There may be an exception for this if the digital wallet can be used for non-gambling purchases.

It is important that customers can cash out immediately and do not have to return to the venue later to obtain their funds. As such, it is recommended that kiosks also be made available at busy times to avoid customers having to queue, for example, if they must leave venues quickly. Alternatively, and preferably, the system could be designed to enable customers to transfer funds to their bank account. This will reduce the tendency for customers to re-gamble their winnings. It also enhances safety for customers as they do not have to leave venues carrying any cash. This reduces the burden on venues in having to facilitate cash withdrawals and hold substantial amounts of cash in venues.

When players collect funds, there should be an ID check in addition to PIN check. This is important to reduce illegitimate use of cards by individuals. It is recommended that there be a maximum amount set for cash withdrawals. However, implications for this need to be considered including impacts on domestic and family violence, digital inequity, and unbanked individuals.

³⁰ Blaszczyński, A., Gainsbury, S., & Karlov, L. (2014). Blue Gum gaming machine: An evaluation of responsible gambling features. *Journal of Gambling Studies*, 30, 697-712. <https://doi.org/10.1007/s10899-013-9378-5>

³¹ Santos, T., Heirene, R., Cobb-Clark, D., Tymula, A., & Gainsbury, S. (submitted manuscript). *Gambling consumers' understanding of past and future spending: Associations with risk, impulsivity, self-control, and problematic gambling.*

It is recommended that individuals can quarantine funds in their accounts to prevent these from being immediately re-gambled. This might be an option to quarantine all wins, all wins over a certain amount, or the whole wallet for a specific period. Individuals may choose to set a quarantine on funds if they know that they tend to gamble more than intended.

Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.

I support this recommendation.

Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.

I support this recommendation. I strongly encourage work to commence immediately to enable the development of a system to automatically monitor all EGM customers to detect potentially risky gambling. This is a complex undertaking and will also require consideration of a range of interventions to be triggered including notifications to customers directly, notification to staff and venues to have conversations with customers and considerations towards more restrictive actions such as automatically placing pauses or limits on customers' accounts if there is a high level of risk detected until further screening can be conducted.

Initial work to commence may include providing independent researchers with access to membership data from a range of venues and supporting engagement with gaming venues to enable researchers to conduct surveys to be linked with de-identified player data. This would allow investigation into whether behavioural markers of risk can be identified. An initial study using this method has been conducted by my team at the University of Sydney working with an EGM venue demonstrating the feasibility of this method.

Regulations should require all EGM venues to share de-identified data with independent researchers on a reasonable basis to enable research designed to reduce gambling harms. This is consistent with requirements for casino venues.

Recommendation 1.9: An account-based gaming system should be evaluated as part of the broader reforms evaluation.

It will be essential that an evaluation program be developed alongside all aspects of gambling reform to identify the outcomes of reforms including intended and unintended consequences. A logic model should be developed to clarify the intended short, medium and long-term outcomes of each aspect of the gambling reform as well as the relevant stakeholders, inputs and other variables necessary to an evaluation. The evaluation must be conducted independently without influence from stakeholders.

Recommendation 1.10: The NSW Government ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine:

- *The most appropriate terminology for 'account-based gaming' from a customer perspective*
- *The most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools*
- *The most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate with regular players to enhance meaningful engagement with deposit limits*
- *The most effective ways to leverage data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend.*

I support these recommendations and that funds be allocated for this research to be conducted by

independent qualified researchers from the \$100 million fine.

Breaks in Play

Mandatory breaks in play are supported as EGMs have no natural breaks in play and it is common for individuals who are experiencing gambling problems to report that they spend more time and money than they intended. There is insufficient quality research and data to indicate when a break in play is optimal for customers, how frequently these should occur, the required length of time for the break and what consumers should ideally do during these breaks. It is recommended that independent research be commissioned to inform the design of optimal breaks in play. Caution is needed as most consumers are not supportive of time limits as time is not seen as a highly relevant factor in relation to the experience of gambling harms. Furthermore, time spent gambling may be related to session-factors, such as whether an individual is winning. There is likely to be strong psychological resistance to imposed breaks in play which need to be carefully considered. Consumers are likely to modify their behaviours to policies on breaks in play to avoid these, meaning these may need to be somewhat dynamic. Consultation with consumers is highly recommended to inform any design of systematic breaks in play.

From a psychological perspective, the aim of a break is to allow an individual to detach from the gambling session and break any cognitive or emotional state whereby they are not thinking rationally about their gambling and as such as not making informed decisions about each bet. Consequentially, a break will be more effective if an individual is required to move away from the gaming floor and gaming stimuli. Physical exercise can assist in changing emotional states. Individuals who are fatigued, hungry and thirsty are likely to have impaired decision making so individuals should be encouraged to refresh and address any biological needs with adequate facilities available for this. Ideally consumers would have a social interaction and/or engage in a non-gambling task or activity which requires effortful concentration to change their mindset. This may include venues providing a separate room with games, puzzles, mental and or physical activities including those with social components.

Nonetheless, breaks in play can be very helpful for customers, particularly those experiencing gambling-related harms. A report by Focal Research³² on an evaluation of player monitoring and staff interventions across six casinos in the UK found that as the number of staff interactions increased, at-risk customers were more likely to stop playing when in a loss session, resulting in a reduction in monthly play hours. The analysis indicated that later interactions were more impactful than earlier interactions, suggesting that early interactions are helpful as they help customers to initially think about their gambling and the cumulative effect of interventions over time is helpful for customers to reassess and adjust their gambling behaviours. Cumulative impacts are only possible if breaks and/or interactions occur sufficiently regularly that they are experienced by at-risk players. Research is recommended to investigate the appropriate timing of breaks and evaluate the impact of these on EGM play across consumer subgroups.

Activity Statements

Each time customers log-in to use the system to deposit funds and play EGMs, customers should be automatically shown their account activity in a summarised format including lifetime net result, spend, wins, and losses in addition to recent periods such as the past six months. This information should also be automatically sent to all active customers each month via their preferred method of contact. Information should be formatted to enhance understanding using text and graphics to make trends over time clear. It is recommended that these be formatted in a similar design to mandated activity statements from the National Consumer Protection Framework³³ to allow customers to easily amalgamate gambling spend across activities and as this statement is based on empirical research.

³² Focal Research Consultants Ltd. (2021). *Helping UK Casino Players Gamble Responsibly: Evaluating the impact of safer gambling customer interactions. Final Technical Report*. Focal Research.

³³ Australian Government Department of Social Services. (2022). *Activity statements for online wagering providers*. Department of Social Services. <https://www.dss.gov.au/communities-and-vulnerable-people-programs-services-gambling-information-for-online-wagering-providers/activity-statements>

Customers should be able to access information about their spend through their accounts in real-time and download and export this data in a variety of formats (e.g., pdf, excel, .csv) to enable it to be analysed and displayed through third-party systems.

Recent and preliminary research conducted by the University of Sydney Gambling Treatment and Research Clinic found that EGM customers tend to underestimate their wins by 86%.³⁴ As shown in Figure 1, EGM customers tended to self-report wins lower than they actually experienced in the last 30 days. In general, customers are very poor at estimating their net outcome, essentially only being able to do this if they have not gambled at all during the period in question. Only 7.8% of customers accurately recalled their past 30-day net outcome, 10.5% recalled wins, and 2.6% accurately recalled total spend, allowing for a 10% margin of error. The findings suggest that the structural design of EGMs may prevent customers' understanding the cost of play and changes are needed to enable informed choice. This provides a strong rationale for activity statements to assist customers to track their spend on EGMs.

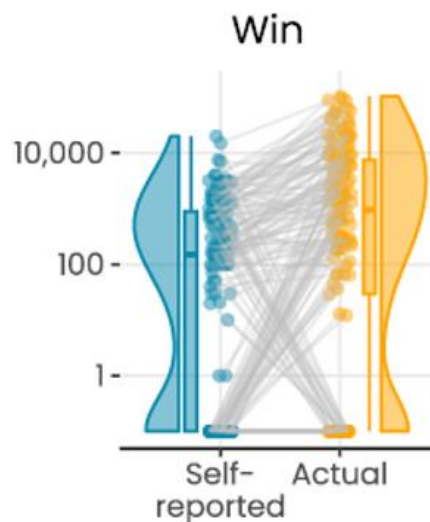


Figure 1. Raincloud plot comparing self-reported and actual value for spend for EGM customers. Preliminary research from the Gambling Treatment and Research Clinic, University of Sydney

There is minimal research on the impact of activity statements. A survey of regular EGM customers found that the ability to track gambling spend was perceived as advantageous by 51% of respondents, the highest ranked benefit of proposed account-based systems.³⁵ A survey of 1647 Australian online wagering customers found that most consumers (57%) opened the activity statements sent to them automatically and of these, 18% decreased their gambling as a result, which was more common among customers who reported experiencing gambling problems.³⁶ There were no clear behavioural indicators of change in terms of deposits and betting around the times when activity statements were delivered, suggesting that the impact of statements are on cognitions and attitudes or gradual behavioural change. Importantly, there were no increased in gambling seen as a result of statements and minimal evidence of negative unintended consequences such as consumers chasing losses. Research is needed to investigate the impact of activity statements on EGM customers and their behaviour.

³⁴ Santos, T., Heirene, R., Cobb-Clark, D., Tymula, A., & Gainsbury, S. (submitted manuscript). *Gambling consumers' understanding of past and future spending: Associations with risk, impulsivity, self-control, and problematic gambling.*

³⁵ Gainsbury, S., Santos, T., Heirene, R., Chandrakumar, D. (2024). *Account-based gambling. Insights from a large EGM Venue in Western Sydney.* Gambling Treatment and Research Clinic, University of Sydney.

³⁶ Gainsbury, S.M., Chandrakumar, D., & Heirene, R. (2024). *Use and Impact of Government-mandated activity statements for online gambling in Australia.* Manuscript in preparation.

Recommendation 1.11: The NSW Government:

- *Ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers*
- *Ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts*
- *Undertake a Privacy Impact Assessment as part of its considerations for the preferred approach for implementing account-based gaming.*

I support this recommendation.

Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.

I support this recommendation and that experts on harm minimisation and evaluation be part of the Implementation Committee.

Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.

I support this recommendation.

Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.

I support this recommendation.

Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions:

- *Ensure the lease agreement prices are reasonable with reference to market rates*
- *Ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances require the scheme to be subject to forfeiture.*

I do not support leasing of EGMs. If venues wish to go 'pokies free' they should forfeit these. There are an unreasonably high number of EGMs in NSW and removing leasing schemes may assist in reducing these.

Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.

I support this recommendation. NSW has an unreasonably high number of EGMs and substantial effort are needed to reduce these. Efforts are also needed to encourage venues to give up all their GMEs to reduce the availability of EGMs and EGM venues in NSW.

Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement a scheme, it should:

- *Be voluntary and open to NSW clubs and hotels*
- *Be simple and transparent*
- *Target the existing commitment of 2,000 GMEs over five years*
- *Be priced at \$30,000 for a gaming machine entitlement*
- *Be used to assist and incentivise venues to implement account-based gaming.*

I do not support a buy-back scheme. The removal of 2000 GMEs will make no material difference to the accessibility of EGMs in NSW, and this will have no harm reduction impact.

Recommendation 2.5: The NSW Government:

- *Retain the minimum six-hour shutdown period, commencing no later than 4am*
- *Repeal all existing variations, allowing a transition period for venues*

If the NSW Government chooses to implement a new hardship variation it should be time-limited with very stringent criteria and still provide for a continuous six-hour shutdown period.

I do not support this recommendation. I recommend that there is a mandatory shutdown of all non-casino EGMs for the same period which should at minimum be 2am-10am, however, there is potential for substantial harm minimisation benefits in extending shutdowns from 12am-10am. Given the extensive discussions held and written submissions on the topic of closing venues earlier than 4am it is disappointing that the panels views were not reflected in the Roadmap. I have reiterated my previous submitted comments here.

Where research does exist, it supports midnight closure of gambling venues

Regarding the operating hours of gaming venues, the 1999 Productivity Commission Gambling Inquiry cited a Nova Scotia study and stated that: "Increased opening hours are likely to lead to longer durations of play and greater expenditure by problem gamblers. This is because it removes a possible control mechanism for excessive gambling for people with incipient or current problems, who might otherwise have timed their gambling just prior to the club closing".³⁷ The study in question showed that a reduction in EGM venue opening hours from midnight (opening time not specified) resulted in a decrease in spending associated with problematic gambling.³⁸ The rationale for selecting the midnight shutdown was based on data showing that people experiencing gambling problems in Nova Scotia were more likely to play EGMs after midnight (i.e., 57% of people classified as experiencing moderate or problematic gambling vs. 20% of non-problematic or low-risk gambling played after midnight).

Findings revealed that because of the midnight closure, EGM patrons overall reported a 5% decrease in spending; patrons who previously gambled past midnight reported a 26% reduction in spending; and patrons experiencing gambling problems reported an 18% reduction in spending. An evaluation of the midnight shutdown found evidence of very minor shifts in patterns of gambling behaviour. Of the participants (n=545 regular EGM players), 2% shifted to another location as a result of the shutdown, 0% shifted to other times and none shifted to other gambling activities. The report also showed a change in EGM spend among players. Overall, there was a 5% reduction in EGM spend; however, the reduction was greatest among people classified as having gambling problems who had a 19% reduction, followed by those at moderate risk of gambling harms (9%), with smaller impacts on those at low risk (4%), and only a 1% reduction in EGM spend among those classified as being non-problematic gamblers. This is important as it demonstrates that the midnight shutdown had success as a harm-minimisation measure in that it affected those needing assistance to address their gambling without impacting those not experiencing harms. This study is very important as it is the only evidence of a midnight shutdown as other studies have examined much less restrictive policies of EGM shutdowns much later in the evening (early morning) when fewer people are playing EGMs.

Australian research suggests short shutdown periods are "tokenistic" and come at times when they have minimal impact

Several studies have examined the impact of EGM shutdowns in Australia, including the 3-hour shutdown of EGMs from 6-9am and 4-10am in NSW. Across studies, most individuals supported shutdowns, relatively few gambling patrons were impacted by these and of those who were present

³⁷ Productivity Commission 1999. Australia's Gambling Industries. Final Report. Report No. 10, AusInfo. P15:41

³⁸ Corporate Research Associates. (2005). Nova Scotia VLT time change findings report. Prepared for the Nova Scotia Gaming Corporation. As reported by Responsible Gambling Council (2006). Electronic Gaming Machines and Problem Gambling. Available from: <http://www.iogoremoto.pt/docs/extra/GtRaxq.pdf>

at shutdown, most reported that they went home.^{39,40} One evaluation of the 3-hour shutdown reported that most people supported the strategy in theory as it provided a break to 'think clearly and take control', however, believed it to be ineffective as a harm minimisation measure as in practice very few people played EGMs during the limited shutdown hours.⁴¹

A 2003 qualitative study of the impact of NSW EGM shutdowns from 6-9am indicated stakeholders, including gambling patrons, the friends, and venue managers, had a cynical view of the shutdowns as tokenistic as this is the least popular time to gamble, and the period is too short to have a meaningful impact on gambling harms.⁴²

A subsequent study of a six-hour shutdown (4am-10am) in NSW EGM venues found similar results. Over two-thirds of EGM patrons supported the shutdown with higher support among those classified as engaged in problematic as opposed to non-problematic gambling.⁴³ Similarly, people classified as experiencing gambling harms were more supportive than other groups (51% in support) that EGMs should be shutdown at other times of the day. Qualitative research explains these findings with reports by people experiencing gambling harms that they are unable to take breaks themselves and welcome measures that assist them to do so. Across all gambling patrons, 34% suggested that the mandatory shutdown period of 6 hours should be increased, with only 11% supportive of reducing the shutdown period. Support for extending shutdown periods was again higher among those experiencing gambling problems (44% vs. 22%). Interviews with gambling support agencies indicated that shutdown periods would not prevent or solve problematic gambling, but these were important in reducing harm by encouraging patrons to attend to other important self-care and responsibilities such as sleep and family involvement. Gambling treatment providers and even gambling venues agreed that shutdown periods would be more effective in reducing gambling harms if they occurred at times of the day when more people were playing, that is, commencing earlier than 4am.

In a qualitative study of club patrons in the ACT impacted by a mandated three-hour shutdown, five of nine patrons identified who reported ever playing EGMs between 4-7am or 5-8am were shift workers, and four reported they played at these hours at the end of a night out, including gambling for longer than they had intended.⁴⁴ Most of those gambling when the EGMs shut went home, although there were mixed reports on whether they gambled less overall. The shutdown had little reported impact on EGM customers who did not experience gambling harms and 78% of people in this category supported the shutdown. A small proportion of people classified as having gambling problems reported that the enforced break in play was helpful, however, most people in this group reported that the shutdown was too short and at the wrong times to be effective. Community organisations and counsellors interviewed mostly reported small but beneficial impacts of the shutdown typically related to reduced incidental gambling among people who could least afford this. They also suggested that the shutdown could assist venues in identifying people who may be gambling in a problematic way, given that difficulties controlling and stopping gambling is an observable risk factor for experiencing gambling problems. All agencies were critical of the hours coming too late in the evening and suggested that that a shutdown would be much more effective if it happened earlier in the night. Based on the findings, the study's authors recommended that the shutdown be extended from three to five hours. The report also found no evidence of any impact on EGM turnover for the venues due to the shutdown.

³⁹ ACNielsen. 2003. Evaluation of the impact of the three hour shutdown of gaming machines: final report. Available from <https://webarchive.nla.gov.au/awa/20041027051513/http://pandora.nla.gov.au/pan/45551/20041027-0000/gaming.pdf>

⁴⁰ McMillen J, Pitt S. 2005. Review of the ACT Government's harm minimisation measures. Canberra (Australia): Centre for Gambling Research. Available from: https://www.gamblingandracetracing.act.gov.au/_data/assets/pdf_file/0003/745059/Review-of-the-ACT-Governments-Harm-Minimisation-Measures.pdf

⁴¹ ACNielsen. 2003.

⁴² ACNielsen. 2003.

⁴³ Tuffin A, Parr V. 2008. Evaluation of the 6-hour shutdown of electronic gaming machines in NSW. Available from: <https://www.gambleaware.nsw.gov.au/-/media/files/published-research-pdfs/evaluation-of-the-six-hour-shutdown-of-electronic-gaming-machines-in-nsw.ashx?rev=bc60960cc5df4b169353edb76f9afdc5&hash=6141AAE3E71490CC6967A45F66953A6F>

⁴⁴ McMillen J, Pitt S. 2005. Review of the ACT Government's harm minimisation measures. Canberra (Australia): Centre for Gambling Research. Available from: https://www.gamblingandracetracing.act.gov.au/_data/assets/pdf_file/0003/745059/Review-of-the-ACT-Governments-Harm-Minimisation-Measures.pdf

Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.

I support this recommendation.

Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.

I support the recommendation into using the \$100 million fund to commission a comprehensive and independent review of loyalty programs in gaming venues. It is important to investigate the potential negative impacts of loyalty programs on customers, particularly those vulnerable to experiencing problems.

Loyalty programs potentially offer harm minimisation opportunities. Research by my team found that if loyalty points were offered to customers to use an account-based system this would increase voluntary uptake and engagement. Specifically, one-third of survey respondents stated that were likely to use account-based systems if and if it becomes required to stay at their status level (33%), if they only receive points while using the system (34%), or they received membership points for signing up (39%).⁴⁵ Almost half (46%) of respondents were likely to use it if they receive additional membership points while using the system. These results are similar to an experimental study in which regular EGM players indicated their preferred design of an account-based system included the integration of a system with a loyalty program and the ability to earn points.⁴⁶ However, qualitative research suggests that caution is required as respondents had mixed views regarding loyalty points, with some respondents indicating that this might 'cheapen' the perception of the system as it would reduce the perception of the system as being inherently about reducing gambling harms and instead be seen as part of marketing efforts to encourage consumers to spend more money on gambling.⁴⁷ Some quotes are included below to show the mixed responses to using loyalty points as an incentive to engage with account-based gambling demonstrating careful consideration would be needed for this approach.

"If they were saying we'll give you something if you use the system that's similar to click bait."

"Points as point system thing probably would be a good thing ... maybe getting a voucher to go to my favourite restaurant there would be something, maybe to eat there would probably be something that I more go for"

"I think that if they decided to add things like extra points, extra gifts. You know you'll look at [it], and you'll go oh wow. But then another part of me will go. Well, that's really annoying, because I'll feel like the people who don't want to use it are being penalised."

EGM consumer perceptions that loyalty programs may increase gambling and lead to people spend more than intended are consistent with the few qualitative studies into loyalty programs which have been conducted. Loyalty programs are designed to enhance product engagement and customer spend. However, given the risks associated with gambling products and that some customers experience substantive harms from excessive engagement, it is important to consider the impact of these programs on these individuals.

Several studies have shown that loyalty programs which provide points for gambling spend result in

⁴⁵ Gainsbury, S., Santos, T., Heirene, R., Chandrakumar, D. (2024). *Account-based gambling. Insights from a large EGM Venue in Western Sydney*. Gambling Treatment and Research Clinic, University of Sydney.

⁴⁶ Swanton, T.B., Garbarino, E., Collard, S.B., & Gainsbury, S.M. (under review) Preferences for cashless gambling payment systems with integrated harm reduction measures among electronic gaming machine gamblers: A discrete choice experiment.

⁴⁷ Gainsbury, S., Santos, T., Heirene, R., Chandrakumar, D. (2024). *Account-based gambling. Insights from a large EGM Venue in Western Sydney*. Gambling Treatment and Research Clinic, University of Sydney.

higher levels of gambling among consumers, including greater spend, time in venue, frequency of visits, particularly in relation to EGMs.^{48,49,50} Members of higher tiers of loyalty programs are significantly more likely to be classified as experiencing problematic gambling,⁵¹ with one Australian study⁵² demonstrating this relationship even when controlling for gambling frequency (loyalty card users were 2.79 times more likely to be classified as problem gamblers), suggesting that there may be some aspects of loyalty programs which contribute to gambling problems.

A telephone survey of 1000 Australian EGM customers found when controlling for other variables, loyalty program members had 2.28 times the odds of being classified as a moderate risk or problem gambler as compared to a non-risk gambler when controlling for the effects of time, gender, age, main activity, household and personal income, gambling frequency, and the interaction between these predictor variables are held constant.⁵³ Specifically, this study showed that loyalty card use was associated with gambling 1.37 times more frequently and 1.23 times longer. Loyalty card users were 2.28 times more likely to be moderate risk or problem gamblers on the PGSI and 1.33 times more likely to report incidents of binge gambling. Again, the methodology does not allow for conclusions regarding causality, however, the results suggest that gambling customers who are vulnerable to experiencing gambling problems are significantly more likely to be engaged in loyalty programs and at higher tiers than would be seen just based on their gambling frequency. A related qualitative study found that most participants stated that loyalty programs had no impact on their gambling and saw no ill effects of this.⁵⁴ However, those classified as having gambling problems were more likely than lower-risk gamblers to say that their loyalty program membership impacted how much money they spend. This included promotions and marketing about of the benefits and rewards from loyalty programs which encouraged people experiencing harms to gamble when this was beyond what they could afford to lose.

Recommendation 3.2: The NSW Government consider:

- *Implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome*
- *Increasing community outreach as part of GambleAware*
- *Supporting financial literacy school programs*
- *Ensuring the statewide register effectively complements support services.*

I am supportive of:

- Implementation of more effective communication to assist consumers to understand how outcomes are determined and their chances of winning
- Increased funding for community outreach as part of GambleAware
- Supporting implementation of financial literacy for various target audiences including children, teenagers, young adults, and vulnerable populations

⁴⁸ Baloglu, S., Zhong, Y. Y., & Tanford, S. (2014). Casino loyalty: The influence of loyalty program, switching costs, and trust. *Journal of Hospitality & Tourism Research*, 41(7), 846-868. <https://doi.org/10.1177/1096348014550922>

⁴⁹ Min, J. H., Raab, C., & Tanford, S. (2016). Improving casino performance through enhanced loyalty programs. *Journal of Hospitality Marketing & Management*, 25(3), 372-394. <https://doi.org/10.1080/19368623.2015.1030528>

⁵⁰ Yoo, M., & Singh, A. (2016). Comparing loyalty program tiering strategies: An investigation from the gaming industry. *UNLV Gaming Research & Review Journal*, 20(2), 19-40.

⁵¹ Hollingshead, S. J., Wohl, M. J. A., & Davis, C. G. (2021). On being loyal to a casino: The interactive influence of tier status and disordered gambling symptomatology on attitudinal and behavioral loyalty. *Journal of Behavioral Addictions*, 10(3), 675-682. <https://doi.org/10.1556/2006.2021.00046>

Prentice, C., & Wong, I. A. (2015). Casino marketing, problem gamblers or loyal customers? *Journal of Business Research*, 68(10), 2084-2092. <https://doi.org/10.1016/j.jbusres.2015.03.006>

⁵² Delfabbro, P., & King, D. L. (2020). The prevalence of loyalty program use and its association with higher-risk gambling in Australia. *Journal of Behavioral Addictions*, 9(4), 1093-1097. <https://doi.org/10.1556/2006.2020.00082>

⁵³ Van Dyke, N., Jenner, D., & Maddern, C. (2016). The role of loyalty programs in gambling: Final report of findings from audit of electronic gaming machine gambling venues, literature review, online discussion boards, and longitudinal telephone survey [Report]. Victorian Responsible Gambling Foundation. <https://www.gamblingresearch.org.au/sites/default/files/2019-09/The%20role%20of%20loyalty%20programs%20in%20gambling.pdf>

⁵⁴ Van Dyke et al., 2016

- Ensuring that people who self-exclude from gambling venues are supported by GambleAware services and other support services as appropriate.

I support the recommendation into using the \$100 million fund to commission independent research into ways to increase consumer understanding of their chances of winning. I note that this should not be limited to signage in venues and educational campaigns. Research demonstrates that engagement with harm minimisation tools and sustainable gambling behaviours is more likely when consumers have positive attitudes towards the behaviour and see the behaviour as important to others like them.^{55,56} Knowledge alone has been shown to be ineffective in motivating behavioural change.⁵⁷ Cognitive therapy is effective in assisting people with gambling problems, however, this needs to be delivered over multiple sessions with a trained clinician. As such, it is unrealistic to expect improved signage in venues to be an effective harm reduction strategy.

I recommend that research be commissioned to investigate novel ways to encourage EGM customers to understand the likely outcomes and dispel common irrational beliefs to enhance the ability of customers to understand how products work. This may include developing interactive tools and dynamic brief interventions delivered in a variety of manners.

I am highly supportive of fundings for community outreach as part of GambleAware. I am also highly supportive of developing and evaluating financial literacy school programs. I recommend that these be revised as part of an evaluation process that involves co-design working with young people and independent researchers.

I recommend the support of and implementation of financial literacy programs to target individuals with low financial wellbeing, victims of domestic and family violence, and other vulnerable populations. This should be done in conjunction by individuals and groups experienced in developing and implementing financial literacy programs such as Financial Counselling Australia and the Ecstra Foundation.

I am supportive of efforts to ensure that individuals who self-exclude from gambling venues are supported by GambleAware and other relevant services.

Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.

I do not support this recommendation. Commonwealth and state governments have been contributing to a national body, Gambling Research Australia (GRA), for many years, which has not made any significant contribution to research, has not increased capacity in the gambling field, or informed policies. I recommend specific funding provided to RGF from \$100 million to increase research capacity and commission independent research to inform the implementation of many of the recommendations in this reform and additional gambling reforms such as examining the structure of EGMs and the gambling environment. Funding should also be provided to dedicated programs designed to enhance academic research capacity such as through PhD scholarships and early career researcher fellowships with research funding.

The proposed recommendation does not represent any change to the NSW Government approach to supporting gambling research. Commonwealth and other governments have been contributing to a national body, Gambling Research Australia (GRA), for many years, which has not made any significant contribution to research, has not increased capacity in the gambling field, or informed policies. GRA has no current research projects according to their website. Recent studies have all

⁵⁵ Procter, L., Angus, D. J., Blaszczynski, A., & Gainsbury, S. M. (2019). Understanding use of consumer protection tools among Internet gambling customers: Utility of the Theory of Planned Behavior and Theory of Reasoned Action. *Addictive behaviors*, 99, 106050.

⁵⁶ Flack, M., & Morris, M. (2017). Gambling-related beliefs and gambling behaviour: Explaining gambling problems with the theory of planned behaviour. *International Journal of Mental Health and Addiction*, 15, 130-142.

⁵⁷ Gainsbury, S. M. (2015). Optimal content for warning messages to enhance consumer decision making and reduce problem gambling. *KELM (Knowledge, Education, Law, and Management)*, 11(3), 64-80.

focused on online and offshore gambling and there has been no published research on EGMs since 2014. There has been no research on youth since 2011 – despite this being a focus for the NSW Office of Responsible Gambling. There has been no research on prevention and early intervention since 2007, and this report was a review not actual research. There has been no research on advertising or social media, help seeking, or use of self-directed help since 2015 and no research on First Nations since 2010.

The research priorities of the NSW Office of Responsible Gambling as part of their Strategic Plan 2021-2024 are included below. It is not clear whether these goals have been met with the current approach.

Our Priorities

- understanding and tracking changes in gambling behaviour and attitudes in NSW, through the NSW Gambling Study, NSW Youth Gambling Study, and other projects
- identifying and understanding emerging technologies and trends and impacts
- understanding issues affecting different groups and communities across NSW including young people and vulnerable populations
- building the knowledge, skills and diversity of gambling researchers to create a broader network of high-quality gambling researchers
- sharing, distilling and promoting broader gambling research findings to ensure that research translates into action
- working in partnership with community organisations, industry and other stakeholders to capitalise on opportunities to undertake, share and apply research, including through trials and the use of collected data.

Measures of success

- Research insights and findings are actionable and used to improve education, support, policy and regulatory outcomes
- Improved quality, relevance and impact of Australian gambling research
- Increased capacity, innovation, collaboration and cross-disciplinary approaches in Australian gambling research
- Increased participation and retention of post-graduate candidates and early career researchers in gambling research.

Figure 2. Research priorities of the NSW Office of Responsible Gambling as part of the Strategic Plan 2021-2024.

Recommendation 3.4: *The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the GMNS at a State level.*

I support this recommendation. I further recommend research is commissioned to examine the structural design and characteristics of EGMs and gambling venues and the impact of these on the development and experience of gambling harms. There has been minimal research on these areas, with the bulk of harm minimisation and prevention research and strategies focused on individuals and a reliance on consumers to recognise any potential harms and change their own behaviours.

This is relatively unique to gambling as most consumer products are expected to not cause harms and be designed in a manner that is safe to use if used as directed and intended. A recent article in the Lancet Public Health⁵⁸ concludes that “framing the problem in this way and narrowly focusing policy attention on a small subset of the people who gamble draws attention away from industry practices and corporate behaviour. We must also seriously examine the structures and systems that govern the design, provision, and promotion of gambling products.”

Given the lack of transparency on progress of the GMNS, I recommend the NSW Government commit to a timeframe for progressing these amendments independently of this group.

Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per spin with other states and move toward a nationally consistent approach.

I support this recommendation.

Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.

I support this recommendation.

Recommendation 4.1: The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.

I am supportive of these recommendations and recommend that this work involve close consultation with a range of consumers.

The terminology and description of harm-minimisation tools is likely to have a strong influence on consumer perception and subsequent engagement with these. For example, terms such as ‘budget’ are more likely to be viewed as positive rather than ‘limit’. In a UK study, 74% of participants would voluntarily set a ‘spending cap’, as compared to 70% who would set a ‘deposit limit’, and 64% who would set a ‘loss protector’.⁵⁹ The phrase as a ‘spending cap’ appeared to be slightly more effective for higher risk groups.

It is important that language be positive but accurate and focus on empowerment and taking control with language that is likely relevant to a broad group of regular EGM consumers. Terms related to ‘problems’ and ‘help’ should be avoided and harm-minimisation tools intended for a broad consumer group must not associated with tools intended for people with gambling problems as this will likely result in the harm-minimisation tools being perceived as only relevant for people experiencing difficulties with their gambling. The term ‘harm-minimisation’ is used throughout this report; however, it is recommended that terms such as ‘safer gambling’ or ‘gambling management’ be used with consumers to ensure a positive framing. Similarly, it is recommended that focus be placed on actions to be taken rather than behaviours, or outcomes, to be avoided as these are much harder to motivate, measure, and achieve.

One of the risks of digital payments is that customers may spend more money gambling than they intended to. This may occur as electronic funds are not as salient or ‘real’ as cash, that there is less ‘pain of paying’, and it is easier to access funds thus reducing the time and consideration needed. It is recommended that terminology be considered to ensure an awareness of spend. For example, rather than referring to ‘top-ups’ which may connote an encouragement to add funds, the term or ‘deposit’ may be more accurate.

⁵⁸ Wardle, H., Degenhardt, L., Marionneau, V., Reith, G., Livingstone, C., Sparrow, M., ... & Saxena, S. (2024). The Lancet Public Health Commission on gambling. *The Lancet Public Health*. [https://doi.org/10.1016/S2468-2667\(24\)00167-1](https://doi.org/10.1016/S2468-2667(24)00167-1)

⁵⁹ Behavioural Insights Team. (2022). *Deposit limits: GPRU insights*. <https://www.bi.team/wp-content/uploads/2022/02/GPRU-Deposit-Limits-Deck.pdf>

I have reservations about the term “safer gambling” as this implies that gambling is ‘safe’, which it arguably is not for some people. This could increase stigma due to the perception that people who were unable to engage in ‘safe’ gambling did something wrong themselves – as opposed to the product/environment not being safe. I recommend terms such as ‘risk’ and ‘lower risk’ gambling to clearly indicate that the product is inherently risky and requires constant monitoring for risk by all users. Another potential term for consideration is ‘sustainable’ which could refer to the provision of gambling in a manner that could be continued as it does not cause any detriment to individuals or the community. Sustainable indicates a balanced approach to both consumption and operation that requires constant care, consideration, monitoring and regulation.

Recommendation 4.2: The NSW Government conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.

I support this recommendation. This evaluation should be conducted by an independent group.

Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to:

- *Ensure that the gaming legislative framework is modern and remains fit for purpose*
- *Review the penalty provisions to ensure they remain appropriate*
- *Review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility.*

I support this recommendation.

Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives:

- *The implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements*
- *The development and implementation of the statewide exclusion register, with ongoing maintenance to be industry funded*
- *System-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded.*

I do not support this recommendation.

This fund was created due to a fine related to industry failure to meet licensing requirements including the provision of harm minimisation obligations. It should not be used to cover the costs of initiatives which the industry should be contributing to. As with the development and establishment of a national self-exclusion register and system for online wagering, the gambling industry should be required to contribute to the development, implementation and ongoing funding of a statewide exclusion register.

Facial recognition technology (FRT) should not be funded by the NSW Government. There is no evidence to support the use of FRT to minimise gambling harms. This has not been the subject of any independent research. FRT does not minimise gambling harms, it aids the gaming industry in meeting their licensing requirements to identify people who have self-excluded from a gambling venue. The implementation of an account-based gambling system will achieve this purpose and provide additional harm-minimisation features. As such, a FRT will largely become superfluous. The industry should also make contributions to the implementation of account-based gaming if the technology is required as this is an important way for operators to meet their responsibilities to identify consumers who are at-risk of experiencing gambling related harms.

Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify:

- *How additional funds can be directed to fund support services and independent gambling research*

- *Potential alternative funding sources for the RGF.*

I support this recommendation. Currently the funding received by the RGF for treatment, prevention, education and research is not proportional across venues and based on consumer spend on gambling. I recommend that the reform develop a scheme by which contributions are made by all gambling providers, particularly across non-casino EGM venues.

Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.

I am not supportive of any Government funding for a buy-back scheme.

Additional comments

The Draft Roadmap includes a summary of the 3arc research under the heading 'Trial Findings'. Pg 38 of the document includes a summary of stakeholder interviews without clarifying which stakeholders views are being presented or whether there is any evidence to corroborate or support the claims made. For example, it is stated that those most likely to 'reject or be excluded from using gaming machines if cashless gambling be required' to include older patrons (due to their perceived low technological literacy) and 'casual gamblers, and visitors and tourists'.

My reading of the 3arc report does not find any efforts made to interview casual gamblers, visitors or tourists to verify whether this statement has any validity. Nor is there any evidence presented to support the claim that older adults will be reluctant to use the system. Given the very small sample size it would not be appropriate to make any generalisations towards larger cohorts such as age groups. Pg 41 of the report states that a lack of digital literacy was not the case for all older adults. Further, in contrast to the claim about older adults, my own research in a large gambling venue found no significant difference between age groups on intent to use an account-based gambling system if this were to be implemented⁶⁰. I am not aware of any evidence that any of these groups would be 'excluded' from gambling. It is critical that the results of the trial are presented accurately and where findings required a nuanced interpretation - such as being based on hearsay without any actual evidence, that this not be included in a summary document. It is noted that this feedback was provided to 3arc during the meeting and it is possible that the inclusion of these statements will be removed from their subsequent report. Nonetheless, it is important to remove from the summary presented in the roadmap document.

Page 38 of the roadmap describes a conclusion that a 'tiered KYC arrangement' for low or infrequent users would be part of a "consumer-centric, seamless sign-up process ... necessary for wider adoption". This was not a stated aim or specifically examined in the report so it is hard to see how it can be included in the summarised 'findings'. The report did not make any claims about allowing a low-spend threshold with anonymous cash or basic KYC requirements for visitors or casual gamblers without AML or harmful gambling consequences. As I mention above, it is my strong opinion that allowing any anonymous or reduced requirements would have substantially detrimental implications for harm-minimisation and this is against AML recommendations. The reference to red-tape is also misplaced as red-tape typically refers to regulations, not consumers use of systems. There are very clear benefits of account-based play, so it is misleading to refer to this as "removing 'red tape' without strategic benefit".

⁶⁰ Gainsbury, S., Santos, T., Heirene, R., Chandrakumar, D. (2024). *Account-based gambling. Insights from a large EGM Venue in Western Sydney*. Gambling Treatment and Research Clinic, University of Sydney.

Responsible Gambling Fund (RGF) Trust

Account-based gaming

Executive Committee recommendation	Endorsement or alternative view
Principles	
Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this.	Strongly endorse a statewide integrated system – effective harm minimisation will rely on one statewide system. Endorse in principle allowing for multiple providers on the condition that this would not be to the detriment of the universality, performance or effectiveness of the system.
Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should: <ul style="list-style-type: none"> consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready determine the approach for the mandatory implementation of a statewide account-based gaming system, including appropriate considerations for border towns. 	Strongly endorse the scheme being mandatory. Effective harm minimisation will rely on a mandatory rather than a voluntary system. There would be minimal benefits associated with a voluntary system for those in most need of gambling harm prevention and minimisation efforts.
Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.	Strongly endorse the requirement for all players to be identified and linked to a player account. Any arrangements for casual players or visitors must not provide a loophole for people seeking to avoid creating or using their own player account.
Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).	Endorse
Recommendation 1.5: An account-based gaming system should include opt-out default non-binding spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.	Strongly endorse the system including default spend, deposit and time limits. Strongly oppose limit setting being voluntary. There is a significant evidence base which demonstrates low take up of limit setting when it is voluntary. Strongly recommend that it be mandatory to have spend, deposit and time limits (allowing the player to change them from the default limits to a customised limit if desired, within universal balance limits).
Recommendation 1.6: An account-based gaming system should reduce the threshold for paying	Endorse

Executive Committee recommendation	Endorsement or alternative view
out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.	
Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.	<p>Endorse. Interoperability with the statewide exclusion scheme will be critically important and may render the use of facial recognition technology unnecessary.</p> <p>Should there be any efforts to reduce the costs of or disruption to industry from gaming reforms, consideration should be given to not proceeding with the implementation of FRT given the potential for the combination of mandatory account-based gaming linked to a state-wide exclusion scheme to achieve the same outcome.</p>
Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.	<p>Endorse. The ability to collect and analyse data on player transactions and behaviours will be critical to enable the implementation of effective harm minimisation (particularly on-floor interventions) as well as informing the development and improvement of new and existing interventions, and gambling harm minimisation policy more broadly.</p>
Recommendation 1.9: An account-based gaming system should be evaluated as part of the broader reforms evaluation.	<p>Endorse. The evaluation of all reforms is critically important. Previous research gap analyses funded by the RGF have found that the evaluation of gambling harm minimisation policies and initiatives is a key gap in gambling research.</p> <p>Subject to the RGF funding sources being increased and diversified, the RGF should play a role in supporting and informing the evaluation of the reforms.</p>
Considerations for design and build of an account-based gaming system	
<p>Recommendation 1.10: The NSW Government ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine:</p> <ul style="list-style-type: none"> the most appropriate terminology for 'account-based gaming' from a customer perspective the most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools the most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate 	<p>Endorse. The design, promotion and implementation of these reforms will determine the extent to which they are effective in preventing and minimising gambling harm.</p> <p>To produce timely, relevant and actionable findings, any measures to trial or research harm minimisation features or opportunities should draw on existing work as far as possible, including:</p> <ul style="list-style-type: none"> the existing trials the experiences and data of other jurisdictions and sectors (e.g casinos) implementing or trialling cashless gaming the existing evidence base and interventions already being implemented by gaming and wagering operators in

Executive Committee recommendation	Endorsement or alternative view
<p>with regular players to enhance meaningful engagement with deposit limits</p> <ul style="list-style-type: none"> the most effective ways to leverage data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend. 	<p>NSW</p> <p>Subject to the RGF funding sources being increased and diversified, the RGF should play a role in supporting and informing research and consumer testing and other activities undertaken to refine the harm minimisation features and promotion of account-based gaming and related reforms.</p>
Technical and system standards and privacy and data protections	
<p>Recommendation 1.11: The NSW Government:</p> <ul style="list-style-type: none"> ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts undertake a Privacy Impact Assessment as part of its considerations for the preferred approach for implementing account-based gaming. 	<p>Endorse. Privacy and security of user information and data must be of the utmost importance.</p>
Infrastructure investment	
<p>Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.</p>	<p>Endorse. The RGF Trust should be represented on the Committee to provide advice on the intersection with counselling and support services, ensure the work of the ORG informs the implementation, and to provide expert and independent advice on gambling harm minimisation and represent the interests of people and communities impacted by gambling harm.</p>
Impact on industry and employment	
<p>Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.</p>	<p>Endorse, noting that any analysis of social, economic or other impact of account-based gaming must give appropriate weight to:</p> <ul style="list-style-type: none"> the benefits of account based gaming to individuals and communities the costs of gambling harm from EGMs to individuals, government and the community the potential benefits arising from economic activity in other sectors (due to any reduction in gaming expenditure resulting in increased expenditure on other goods and services)

Gaming machine operations and trading

Executive Committee recommendation	Alternative view
Gaming machine entitlement trading (LIA & GME leasing scheme)	
<p>Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.</p>	<p>Endorse in principle – subject to any simplifications not being to the detriment of the objectives of the scheme or resulting in increased numbers of EGMs in areas with a</p>

Executive Committee recommendation	Alternative view
	disproportionate number of EGMs and/or higher than average levels of socio-economic disadvantage.
<p>Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions:</p> <ul style="list-style-type: none"> • ensure the lease agreement prices are reasonable with reference to market rates • ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances • require the scheme to be subject to forfeiture. • 	Endorse changes to the leasing scheme to increase the forfeiture rate, noting however that the RGF does not consider having a leasing scheme as a priority harm minimisation initiative relative to other schemes.
Reducing the number of gaming machine entitlements (forfeiture and buy-backs)	
<p>Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.</p>	Endorse. The RGF supports measures that increase forfeiture rates so that the number of EGMs in the state decreases without the need for buy back schemes.
<p>Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement a scheme, it should:</p> <ul style="list-style-type: none"> • be voluntary and open to NSW clubs and hotels • be simple and transparent • target the existing commitment of 2,000 GMEs over five years • be priced at \$30,000 for a gaming machine entitlement • be used to assist and incentivise venues to implement account-based gaming. 	<p>Not endorsed. The RGF recommends against a buy-back scheme. The financial cost of the buy backs would reduce or exhaust the funding available for reforms which would have a significantly greater and broader impact for all people using EGMs in NSW.</p> <p>As acknowledged in the report, a reduction of 2,000 GMEs over 5 years would have negligible impact on the availability, accessibility and distribution of gaming machines and no impact on the gaming environment or experience, with minimal to no reduction in gambling harm likely.</p>
Gaming machine operating hours	
<p>Recommendation 2.5: The NSW Government:</p> <ul style="list-style-type: none"> • retain the minimum six-hour shutdown period, commencing no later than 4am • repeal all existing variations, allowing a transition period for venues <p>If the NSW Government chooses to implement a new hardship variation it should be time-limited with very stringent criteria and still provide for a continuous six-hour shutdown period.</p>	<p>Strongly recommend that the Panel recommend the removal and repeal of all existing variations, that no new variations be introduced; and that the removal and repeal of existing variations be brought into effect as soon as is practical and reasonable.</p> <p>Strongly recommend that the Panel recommend a universal and consistent mandatory shutdown period commencing at 2 am and that the period be for 8 hours.</p> <p>Oppose the shut down period not starting until 4 am.</p> <p>Oppose the shut down period not being universal.</p> <p>Recommend against a transition period from the existing variations – two of the three categories were introduced over 20 years ago</p>

Executive Committee recommendation	Alternative view
	<p>effectively as transitional arrangements and have not been revoked or reviewed since. The tourism variation exemption and the early openers variations are also irrelevant to current trading and business operations and unfair on newer market entrants (as they reflect trading hours from pre-2002 and pre-1997 respectively.)</p> <p>Oppose the introduction of a new hardship variation. This would undermine the intent of a universal shut down period and the experience of the other variations suggests it would be unlikely to be time-limited or stringently assessed.</p>
Reducing the cash input limit on older gaming machines	
Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.	Endorse

Harm minimisation measures

Executive Committee recommendation	Alternative view
Loyalty programs	
Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.	Endorse. Subject to the RGF funding sources being increased and diversified, the RGF should play a role in supporting and informing the review.
Community awareness and outreach	
Recommendation 3.2: The NSW Government consider: <ul style="list-style-type: none"> implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome increasing community outreach as part of GambleAware supporting financial literacy school programs ensuring the statewide register effectively complements support services. 	<p>Support in principle the provision of more information about the likelihood of losing on EGMs and on how EGMs operate with consideration needed of the most effective, accessible and practical ways of providing this information. The RGF supports measures to improve the understanding of gamblers and the general community of how gambling works, the likelihood of their losses, and to reduce the gambling fallacies often associated with gambling harm. However, the RGF is also aware of the limitations of signage in relation to its ability to cut-through to an audience and the challenge of communicating such information in a way that is readily understood.</p> <p>Endorse in principle consideration of changes to GambleAware service mix and levels (such as an increase in community outreach), subject to the findings of the evaluation of the GambleAware system currently in progress, and noting that any expansion of activities by GambleAware or the Office of Responsible</p>

Executive Committee recommendation	Alternative view
	<p>Gambling will require increased and new funding sources to the RGF.</p> <p>Endorse supporting financial literacy school programs subject to the appropriate agencies or organisations being involved, and this being led from within the Education portfolio.</p> <p>Endorse ensuring the statewide register complements and refers to existing GambleAware support services.</p>
Gambling harm minimisation research	
<p>Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.</p>	<p>Endorse. The findings of the evaluation of Gambling Research Australia should inform the NSW Government position on national research, and funding.</p> <p>Any commitment to national or NSW-led research will require identification of new or increased funding arrangements – the Responsible Gambling Fund has been the primary source of funding for NSW contributions to state and national research, but its current revenue sources do not provide the level or certainty of funding required for any new or ongoing financial commitments to research. As the primary source of funding in for gambling research in NSW, the RGF should be consulted on and included in any discussions regarding national or other coordinated approaches to gambling research.</p>
Gaming machine features	
<p>Recommendation 3.4: The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the GMNS at a State level.</p>	<p>Endorse and strongly support the NSW Government pursuing these reforms at a state level if not progressed at a national level in a timely manner.</p>
<p>Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per spin with other states and move toward a nationally consistent approach.</p>	<p>Reducing the maximum bet amount should be an absolute priority however the RGF strongly recommends a reduction to \$1 per spin.</p> <p>National consistency should be a secondary consideration to achieving the maximum benefit to the people of NSW, which would be achieved through a \$1 bet amount per spin. Alternatively, NSW should seek to show the leadership to date provided by New Zealand and the UK (where the maximum bet amount is \$2.50 and £2 respectively.)</p>
Gaming machine advertising	
<p>Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and</p>	<p>Endorse. It is of the utmost importance that no new opportunities for gambling advertising or promotion are introduced through the reforms,</p>

Executive Committee recommendation	Alternative view
recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.	and that harm prevention initiatives and interventions cannot be subverted to promote gambling and/or encourage people at risk of experiencing harm to gamble more or resume gambling.

Legislative reform

Executive Committee recommendation	Alternative view
Recommendation 4.1: The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.	Endorse. The RGF strongly supports the modernisation of terminology and recommends the panel support the extension of these efforts to other gambling-related legislation including the Casino Control Act, which establishes the RGF. An amendment to the Act would enable the name of the RGF and ORG to be modernised, and the RGF Trust Deed to be fully updated (following some incremental removal of stigmatising language through a Deed variation earlier this year.)
Recommendation 4.2: The NSW Government conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.	Endorse. The evaluation of all reforms is critically important. Previous research gap analyses funded by the RGF have found that the evaluation of gambling harm minimisation policies and initiatives is a key gap in gambling research. Subject to the RGF funding sources being increased and diversified, the RGF should play a role in supporting and informing the evaluation of the reforms.
Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to: <ul style="list-style-type: none"> ensure that the gaming legislative framework is modern and remains fit for purpose review the penalty provisions to ensure they remain appropriate review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility. 	Endorse. There are some limitations, disparities and complexities in the current regulatory regime which are the consequence of piece-meal and/or incremental change being made over time without a full and holistic review of the Act. This review should also be informed by the arrangements in place for the regulation of the providers of other forms of gambling, particularly casinos and wagering operators.

Allocation of funding

Executive Committee recommendation	Alternative view
Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives: <ul style="list-style-type: none"> the implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements the development and implementation of the 	Endorse in principle subject to the annual \$10M commitment to the RGF also being honoured or other funding sources being secured for the RGF.

Executive Committee recommendation	Alternative view
<p>statewide exclusion register, with ongoing maintenance to be industry funded</p> <ul style="list-style-type: none"> • system-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded. 	
<p>Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify:</p> <ul style="list-style-type: none"> • how additional funds can be directed to fund support services and independent gambling research • potential alternative funding sources for the RGF. 	<p>Endorse and strongly recommend the inclusion of this recommendation as a priority.</p> <p>RGF expenditure in recent years has steadily increased from \$24.8M in 2018-19 to \$35.1M in 2024-25, largely for existing and ongoing programs. This increase has been to cover the costs of:</p> <ul style="list-style-type: none"> ○ the reform of RGF-funded support services ○ the expansion of online and digital support options and access ○ new and improved awareness campaigns and education initiatives. <p>The increased activity and expenditure has been funded in part by drawing down on the RGF Reserve, and was embarked upon based on the then much higher forecast levies from the Crown and Star casino.</p> <p>The reserve has now declined to a level that the Trust wishes to maintain in line with its strategic reserve policy to ensure that its multi-year commitments can be met. As such, the reserve can no longer be drawn down for the RGF's annual expenditure.</p> <p>Without the additional \$10M committed to by the NSW Government, the RGF would have made cuts to its activities in 2024-25 and will need to do so next year if the funding not provided again in 2025-26.</p>
<p>Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.</p>	<p>As per previous comments, the RGF is opposed to buy-back schemes given their relatively high expense and limited impact. and impacts. If a buy-back scheme were to be considered it should be lower priority than other more impactful and broader reaching reforms and not funded from the harm minimisation fund.</p>

Sequencing of Roadmap reforms

Executive Committee recommendation	Alternative view
<p>2024:</p> <ul style="list-style-type: none"> • Allow trial participants to adopt account-based gaming • NSW Government determine timeframes for: <ul style="list-style-type: none"> ○ Working with the Responsible Gambling Fund on increasing community outreach as part of GambleAware, supporting financial 	<p>Strongly support immediate consideration being given to improvements to RGF funding sources, and to a reduction in the maximum bet amount.</p>

Executive Committee recommendation	Alternative view
<p>literacy school programs, identifying how additional funds can be directed to fund support services and independent gambling research, and identifying alternative funding sources</p> <ul style="list-style-type: none"> ○ Considering alignment of the maximum bet amount with other jurisdictions ○ Evaluating the Roadmap reforms. 	
<p>2025:</p> <ul style="list-style-type: none"> • Amend legislation to enable voluntary adoption of account-based gaming • Establish account-based gaming Implementation Committee • Complete analysis regarding impact on industry (including employment and revenue) and the social costs of gambling. • Commission research/advice/consumer testing on account-based gaming design • Commence procurement and/or build of account-based gaming system • Amend legislation to simplify the Local Impact Assessment process and increase transparency • Amend legislation to revise the GME leasing scheme to be subject to forfeiture, ensure only venues that are trading utilise the scheme & that lease agreement prices are reasonable • Amend legislation to simplify forfeiture and exemptions to help reduce the number of GMEs in NSW • Amend legislation to revise operating hour variation application criteria and repeal all existing gaming machine operating hour variations • Amend legislation to implement mandatory outcomes calculation signage • Modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling. 	
<p>2026:</p> <ul style="list-style-type: none"> • Allow venues to voluntarily adopt venue-based account-based gaming • Introduce a buy-back scheme (if implemented) • Review loyalty programs. 	
<p>2027:</p> <ul style="list-style-type: none"> • Launch the centralised account-based gaming system. 	
<p>2028:</p> <ul style="list-style-type: none"> • Mandate account-based gaming statewide • Reduce all cash input limits to \$500 • Undertake a statutory review of the Gaming Machine Act. 	<p>RGF recommends that account-based gaming be made mandatory earlier, subject to the system being successfully implemented and fully operational in 2026.</p>

United Workers Union

Account-based gaming

Executive Committee recommendation	Endorsement or alternative view
Principles	
<p>Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this.</p>	<p>Any move to an account based gaming system must be coupled with a greater emphasis and support for the in-person harm-reduction work of venue staff. Well trained, experienced staff are a critical component in reducing harm from gambling. The implementation of account based gambling must be combined with both appropriate training and other measures related to the new technology, but also an improved industry-wide commitment to supporting the role of venue staff, including the stability and standard of jobs. Issues such as low pay, poor conditions and precarious work arrangements drive turnover in the industry and undermine workforce retention and training. Staff will be on the front line of any change and will be critical to its success. We urge the adoption of a workforce strategy that addresses the range of issues needed to support, and will likely arise from, the implementation of account-based gaming (see 1.12) as well as the ongoing impact of staff in reducing harm and the need for safe, secure and respected jobs in the industry.</p>
<p>Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should:</p> <ul style="list-style-type: none"> consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready determine the approach for the mandatory implementation of a statewide account-based gaming system, including appropriate considerations for border towns. 	
<p>Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.</p>	
<p>Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).</p>	
<p>Recommendation 1.5: An account-based gaming system should include opt-out default non-binding</p>	

Executive Committee recommendation	Endorsement or alternative view
spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.	
Recommendation 1.6: An account-based gaming system should reduce the threshold for paying out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.	
Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.	
Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.	
Recommendation 1.9: An account-based gaming system should be evaluated as part of the broader reforms evaluation.	
Considerations for design and build of an account-based gaming system	
<p>Recommendation 1.10: The NSW Government ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine:</p> <ul style="list-style-type: none"> • the most appropriate terminology for ‘account-based gaming’ from a customer perspective • the most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools • the most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate with regular players to enhance meaningful engagement with deposit limits • the most effective ways to leverage data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend. 	
Technical and system standards and privacy and data protections	
<p>Recommendation 1.11: The NSW Government:</p> <ul style="list-style-type: none"> • ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers • ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts • undertake a Privacy Impact Assessment as part of its considerations for the preferred approach for implementing account-based 	

Executive Committee recommendation	Endorsement or alternative view
gaming.	
Infrastructure investment	
Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.	Endorse with the caveat that this committee must include union representation to ensure the experience of workers is considered in the implementation and that the committee has within its scope workforce issues including: the role of RGOs, WHS (we note the potential risk of abuse and violence directed), training, job scope, staffing requirements, staffing ratios, consultation, turnover and impacts on employment including job quality. We also urge that any transitional arrangements to support the industry address these workforce issues and be intentionally designed to support secure, safe and decent jobs.
Impact on industry and employment	
Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the social cost of gambling.	Endorse with the caveat that “employment impacts” be understood broadly to consider all aspects of employment including hours, wages and conditions of workers, turnover and other issues noted in 1.12.

Gaming machine operations and trading

Executive Committee recommendation	Alternative view
Gaming machine entitlement trading (LIA & GME leasing scheme)	
Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.	
Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions: <ul style="list-style-type: none"> • ensure the lease agreement prices are reasonable with reference to market rates • ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances • require the scheme to be subject to forfeiture. 	
Reducing the number of gaming machine entitlements (forfeiture and buy-backs)	
Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.	
Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement a scheme, it should: <ul style="list-style-type: none"> • be voluntary and open to NSW clubs and hotels • be simple and transparent • target the existing commitment of 2,000 GMEs over five years 	

Executive Committee recommendation	Alternative view
<ul style="list-style-type: none"> be priced at \$30,000 for a gaming machine entitlement be used to assist and incentivise venues to implement account-based gaming. 	
Gaming machine operating hours	
<p>Recommendation 2.5: The NSW Government:</p> <ul style="list-style-type: none"> retain the minimum six-hour shutdown period, commencing no later than 4am repeal all existing variations, allowing a transition period for venues <p>If the NSW Government chooses to implement a new hardship variation it should be time-limited with very stringent criteria and still provide for a continuous six-hour shutdown period.</p>	
Reducing the cash input limit on older gaming machines	
<p>Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.</p>	

Harm minimisation measures

Executive Committee recommendation	Alternative view
Loyalty programs	
<p>Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.</p>	
Community awareness and outreach	
<p>Recommendation 3.2: The NSW Government consider:</p> <ul style="list-style-type: none"> implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome increasing community outreach as part of GambleAware supporting financial literacy school programs ensuring the statewide register effectively complements support services. 	
Gambling harm minimisation research	
<p>Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.</p>	
Gaming machine features	
<p>Recommendation 3.4: The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the</p>	

Executive Committee recommendation	Alternative view
GMNS at a State level.	
Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per spin with other states and move toward a nationally consistent approach.	
Gaming machine advertising	
Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.	

Legislative reform

Executive Committee recommendation	Alternative view
Recommendation 4.1: The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.	
Recommendation 4.2: The NSW Government conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.	
Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to: <ul style="list-style-type: none"> • ensure that the gaming legislative framework is modern and remains fit for purpose • review the penalty provisions to ensure they remain appropriate • review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility. 	

Allocation of funding

Executive Committee recommendation	Alternative view
Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives: <ul style="list-style-type: none"> • the implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements • the development and implementation of the statewide exclusion register, with ongoing maintenance to be industry funded • system-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded. 	
Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify:	

Executive Committee recommendation	Alternative view
<ul style="list-style-type: none"> • how additional funds can be directed to fund support services and independent gambling research • potential alternative funding sources for the RGF. 	
Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.	

Sequencing of Roadmap reforms

Executive Committee recommendation	Alternative view
2024: <ul style="list-style-type: none"> • Allow trial participants to adopt account-based gaming • NSW Government determine timeframes for: <ul style="list-style-type: none"> ○ Working with the Responsible Gambling Fund on increasing community outreach as part of GambleAware, supporting financial literacy school programs, identifying how additional funds can be directed to fund support services and independent gambling research, and identifying alternative funding sources ○ Considering alignment of the maximum bet amount with other jurisdictions ○ Evaluating the Roadmap reforms. 	
2025: <ul style="list-style-type: none"> • Amend legislation to enable voluntary adoption of account-based gaming • Establish account-based gaming Implementation Committee • Complete analysis regarding impact on industry (including employment and revenue) and the social costs of gambling. • Commission research/advice/consumer testing on account-based gaming design • Commence procurement and/or build of account-based gaming system • Amend legislation to simplify the Local Impact Assessment process and increase transparency • Amend legislation to revise the GME leasing scheme to be subject to forfeiture, ensure only venues that are trading utilise the scheme & that lease agreement prices are reasonable • Amend legislation to simplify forfeiture and exemptions to help reduce the number of GMEs in NSW • Amend legislation to revise operating hour variation application criteria and repeal all existing gaming machine operating hour variations • Amend legislation to implement mandatory outcomes calculation signage • Modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling. 	

Executive Committee recommendation	Alternative view
2026: <ul style="list-style-type: none"> • Allow venues to voluntarily adopt venue-based account-based gaming • Introduce a buy-back scheme (if implemented) • Review loyalty programs. 	
2027: <ul style="list-style-type: none"> • Launch the centralised account-based gaming system. 	
2028: <ul style="list-style-type: none"> • Mandate account-based gaming statewide • Reduce all cash input limits to \$500 • Undertake a statutory review of the Gaming Machine Act. 	

Wesley Mission

Account-based gaming

Executive Committee recommendation	Endorsement or alternative view
Principles	
<p>Recommendation 1.1: An account-based gaming system should comprise a statewide integrated system that links to a centralised database for players, with common standards for user-interfaces to allow for multiple providers. Noting there are technical challenges to be worked through for this.</p>	<p>Support both the implementation of an account-based gambling system and that this be centralised, allowing for multiple providers of applications for customers.</p>
<p>Recommendation 1.2: An account-based gaming system should be voluntary until the centralised system is fully implemented, and then be mandatory from that time. The NSW Government should:</p> <ul style="list-style-type: none"> consider ways to allow more venues to become early adopters of a voluntary account-based gaming system, including any eligibility criteria, ahead of the centralised account-based gaming system being ready determine the approach for the mandatory implementation of a statewide account-based gaming system, including appropriate considerations for border towns. 	<p>We are unsure what a voluntary system would consist of, particularly in the absence of a centralised system.</p> <p>Support a mandatory account-based (non-cash) gambling system across NSW and:</p> <ul style="list-style-type: none"> Qualified support for recommending voluntary account-based systems, as long as this does not result in increased use of loyalty programs as the vehicle for uptake, nor the use of funds from the Star \$100 million fine Support considering the consequences for venues in border towns, noting that in particular there is cross border traffic from Victoria, but not to the extent that this materially impacts potential harm minimisation features <p>We strongly recommend that the “eligibility criteria” be made explicit in the Roadmap advice to avoid another committee being established to repeat the discussions already held by the Panel. These criteria should include the minimum settings of verified identity, requirements to set loss limits and built-in breaks in gambling (i.e., measures which were voluntary during the trial but which the evaluation showed were acceptable to the majority of interviewed customers).</p>
<p>Recommendation 1.3: An account-based gaming system should require all players to be identified and linked to a player account, with consideration to reduced identity verification processes for casual players and visitors to NSW.</p>	<p>Strong support for account-based systems to require verified identification to meet AML/CMF standards.</p> <p>We do not support a tiered identity verification process, particularly when the</p>

Executive Committee recommendation	Endorsement or alternative view
	<p>term “casual players” has not been defined. We note the recommendations from the NSW Crime Commissioner for a mandatory system to prevent EGMs from being used for money-laundering, and that verified identification procedures are a key part of these recommendations. Our recommendation on this point is related to our position for 1.4 below, that an essential element of this identity verification is to link to an Australian bank account. Interstate visitors who wish to gamble in NSW will need to obtain an identity verified account.</p> <p>We appreciate that international visitors will not be able to comply with the requirement to link to an Australian bank account, and we would support a modification of the identification process in these relatively limited cases.</p> <p>We believe a link to a bank account is essential to prevent card-swapping or trading from occurring. It would be relatively simple for those intending to launder money, or gamble beyond their self-imposed limits due to a gambling compulsion, to obtain cards from “casual” gamblers or people who live in NSW but hold interstate identity documents.</p> <p>Other technological innovations have been introduced for other services and products, such as for public transport use.</p>

<p>Recommendation 1.4: An account-based gaming system should permit the continued use of cash to top up a player account (whether at cashier or at gaming machine) up to a certain amount (this daily cash deposit threshold to be determined by the NSW Government).</p>	<p>We do not support the use of cash within the mandatory account-based gambling system. Almost everyone in Australia now has a bank account, and for those very few who do not and who wish to gamble, accommodations could be made, but not via use a mechanism that allows for participants to circumvent harm minimisation measures.</p> <p>Our opposition to cash top ups is for the following reasons:</p> <ol style="list-style-type: none"> 1. The continued potential for money-laundering activities <p>We consider that linking the gambling account to an Australian bank account constitutes both an AML/CMF (as per the Report of the Crime Commissioner) and a harm minimisation function.</p> <ol style="list-style-type: none"> 2. The potential for credit facilities to be used for gambling <p>Gambling reform advocates have worked for many decades to remove the possibility of using credit to gamble from land based and now finally, online gambling. The increased dangers of gambling with other people's money is self-evident. Allowing cash top-ups reopens the door to funds derived from credit, whereby people obtain cash-outs from their credit cards at ATMs or personal loans, and then put that cash into their gambling account. We recognize the potential for people to upload cash ultimately derived from credit further upstream, but argue that making this as difficult as possible is in itself a harm minimisation feature.</p> <ol style="list-style-type: none"> 3. Privacy <p>Account-based gambling can be undertaken by using a digital wallet (on a smart phone) or a card. The evidence from Nova Scotia showed that card-swapping became an issue by which both money-laundering and limit setting provisions were side-stepped. If cash is allowed as a top up, and there are cards in the system in addition to digital wallets, a real issue of identity and privacy arises.</p> <p>In order to ensure that cards which are issued to identity-verified individual are</p>
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Executive Committee recommendation	Endorsement or alternative view																											
	<p>only used by that individual, then there will need to be a way of matching the card to the person every time the card is used. Short of having staff check each person at each machine, this will require some kind of biometric identifier. Those biometric features are sensitive information under Australian Privacy Principles and should only be retained for specific uses and for the shortest possible time. However, if envisaged for use to check cards against individuals, that sensitive information will need to be on file indefinitely, which goes against the APPs.</p> <p>In our view, linking to a bank account will largely prevent card-swapping, as the original holder of the card or account will be much more reluctant to give access to their bank account as well as their gambling account.</p> <p>The results of our recent Community Attitude Survey Wave 4, conducted in mid-October indicates that 72% of NSW adults have no reservations about the introduction of a mandatory cashless payment system, with harm minimisation measures, for poker machines. The survey of 1016 NSW adults was weighted to reflect the demographic and location profile of state residents.</p> <p>We asked respondents:</p> <p><i>Do you have any reservations about the introduction of a mandatory cashless payment system, with harm minimisation measures, for poker machines</i></p> <p>Results:</p> <table><tr><th></th><th>No reservations (%)</th><th>Some reservations (%)</th></tr><tr><td>All</td><td>72</td><td>28</td></tr><tr><td>Age-groups</td><td></td><td></td></tr><tr><td>18-24</td><td>67</td><td>33</td></tr><tr><td>25-34</td><td>69</td><td>31</td></tr><tr><td>35-44</td><td>76</td><td>24</td></tr><tr><td>45-54</td><td>69</td><td>31</td></tr><tr><td>55-64</td><td>74</td><td>26</td></tr><tr><td>65+</td><td>72</td><td>28</td></tr></table>		No reservations (%)	Some reservations (%)	All	72	28	Age-groups			18-24	67	33	25-34	69	31	35-44	76	24	45-54	69	31	55-64	74	26	65+	72	28
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<p>Recommendation 1.5: An account-based gaming system should include opt-out default non-binding spend, deposit and time limits (to be determined by NSW Government) which players can amend, and retain existing universal limits on balance limit.</p>	<p>We support the introduction of default universal limits on losses (spend) and deposits, and to the extent that further research may be needed to determine the exact settings, delays in accessing funds and breaks in gambling (time limits).</p> <p>We do not support opt-out and/or non-binding loss and time limits under any circumstances. Our firm view is that without binding limits, an account-based digital payment system is dangerous. Without friction, such a system becomes a tap-and-go payment system and could fulfill predictions that people will lose far more money than they intended.</p> <p>Our position on limit features has not changed during the course of the Panel’s deliberations nor have the various trial evaluations led us to reconsider our position. That can be read in the paper we submitted at the beginning of the Panel: https://www.wesleymission.org.au/wp-content/uploads/2023/02/NSW-Harm-Prevention-Cashless-system-Discussion-Paper_Wesley-Mission.pdf</p> <p>In summary, our non-negotiable view is that any system should incorporate default loss limits which can easily be reduced by patrons, and which, within annual loss settings limits, be increased subject to a time delay. We have recommended a mechanism that would allow annual loss settings to be increased without pejorative language or inappropriate government moralising. It is to be determined what those default limits are, and when they would apply, but our starting point is \$100 a day, \$500 a month and \$5000 a year. These figures are based on the self-reported expenditure of gamblers in the 2019 NSW Gambling Prevalence Study, allowing a generous additional margin of losses.</p> <p>Consideration could be given to renaming “limits”, using language such as “budgets” The research presented to the Panel was clear that limit setting in Norway was effective in both minimising harm and did not interfere with the majority of gamblers’ activities.</p> <p>Norwegians usually modified their limits to</p>
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Executive Committee recommendation	Endorsement or alternative view
	<p>be well below those of government determined hard limits, with the overwhelming majority never reaching their self-imposed limits.</p> <p>Evidence from Australia, particularly YourPlay in Victoria, shows that voluntary limits – which is what an opt-out system creates – is ineffective. It stigmatises the use of limits, and those people who likely would benefit the most (not all of them severely impacted by gambling, but at the beginning of dangerous practices) think that they don't need the limit.</p> <p>The trial, as well as findings of the Royal Commission into Crown Casino Melbourne, demonstrates that without default loss limits, people otherwise chose ludicrous limits, such as \$99million.</p> <p>The reservations of some people, which might be addressed in a properly conducted change management process, is based on their individual preferences, and not on the available epistemological public health evidence. While anecdotes can be useful illustrators of problems or solutions, they are not suitable as evidence upon which to form public policy.</p>
<p>Recommendation 1.6: An account-based gaming system should reduce the threshold for paying out winnings in cash to be consistent with either the daily cash deposit threshold or the cash input limit for new machines of \$500, whichever is lower.</p>	<p>Support, although we do not support cash in the system once the mandatory, universal account-based system is rolled out.</p>
<p>Recommendation 1.7: An account-based gaming system should be interoperable with other key systems, including the statewide exclusion register and facial recognition technology.</p>	<p>Support, noting that we believe once a mandatory account-based system is in operation, a person registering on the state-wide exclusion register should trigger their account to be frozen, which will be more effective than facial recognition</p>
<p>Recommendation 1.8: An account-based gaming system should include requirements on the collection of data on transactions and to enable automated risk monitoring.</p>	<p>Support.</p>
<p>Recommendation 1.9: An account-based gaming system should be evaluated as part of the broader reforms evaluation.</p>	<p>Support, and further recommend, in the interests of transparency and promoting trust in the system, that any evaluation be automatically published</p>

Executive Committee recommendation	Endorsement or alternative view
Considerations for design and build of an account-based gaming system	
<p>Recommendation 1.10: The NSW Government ensure that the design of an account-based gaming system includes commissioning technical advice and/or research and consumer testing to determine:</p> <ul style="list-style-type: none"> • the most appropriate terminology for ‘account-based gaming’ from a customer perspective • the most effective ways to implement breaks in play and augment activity statements to enhance their effectiveness as harm minimisation tools • the most appropriate language and description of harm minimisation tools and design aspects of account-based gaming to encourage lower-risk gambling including awareness of spend and the most appropriate ways to communicate with regular players to enhance meaningful engagement with deposit limits • the most effective ways to leverage data analytics to identify and mitigate harmful gambling behaviour, including incorporating targeted interventions to encourage lower-risk gambling including awareness of spend. 	<p><u>Terminology</u> Support and agree that “account-based gambling” (not gaming) is a good starting point for the refinement of language</p> <p><u>Breaks in Gambling</u> Support, although consideration needs be made on how staff will manage stoppages if a person reaches a time limit (whether self or default set). We recommend consultation with the union as part of those deliberations. Breaks must be substantial enough that the gambler’s concentration is broken. Ideally gamblers should leave the gambling room to ensure that if after a break in play they continue to gamble, it is a conscious choice rather than a compulsion.</p> <p>These breaks should include delays on transferring funds into the gambler’s account. In our view a break in gambling should be much longer than it currently takes to walk to and from an ATM. It is worth noting that in other jurisdictions, ATMs cannot be in the same venue as the gambling room, so that to obtain cash requires leaving the venue entirely.</p> <p><u>Harm Minimisation terminology and communications planning</u> We support research into the best language but note that we do not support using terminology such as “lower-risk gambling”. We prefer terminology such as “increased control over gambling”.</p> <p>Communications planning for the change to mandatory account-based gambling should not be left to the industry. The gambling industry’s conflict of interest in this issue is such that good public health principles require that all work on the communications plan and delivery be undertaken by public health experts.</p> <p>Evaluations of several trials of cashless gambling technologies presented to the Panel have clearly shown that regular activity statements are appreciated by patrons and in many cases led to the realisation they were losing more than they had thought. We would strongly support</p>

Executive Committee recommendation	Endorsement or alternative view
	<p>any expansion of this, for instance alerting people each time they start and end a gambling session as to their activity history.</p> <p><u>Using data analytics to identify and mitigate harm</u></p> <p>Support, but note that this is a much bigger project that can and should be undertaken independently of the roll-out of the mandatory account-based gambling reforms. It can be integrated with the research underway with online gambling and will finally release the Big Data gambling providers hold on real (as opposed to self-reported) gambling behaviour. Using this information to mitigate harm should investigate ways in which people could use their gambling accounts to receive information. We have reservations about including notifications to venues on privacy and public health grounds.</p>
Technical and system standards and privacy and data protections	
<p>Recommendation 1.11: The NSW Government:</p> <ul style="list-style-type: none"> • ensure that the rollout of account-based gaming includes significant education and cyber-readiness for venues and technology providers • ensure that the rollout of account-based gaming builds upon the NSW cashless gaming trial experience with advice from data privacy and cyber security experts • undertake a Privacy Impact Assessment as part of its considerations for the preferred approach for implementing account-based gaming. 	<p>Support</p>
Infrastructure investment	
<p>Recommendation 1.12: The NSW Government establish an Implementation Committee, which includes independent technical experts and cyber experts, to provide advice on the implementation of account-based gaming and appropriate transitional arrangements to support industry and the ongoing sustainability of the sector.</p>	<p>Qualified support, because the transitional arrangements should not only support the industry but also the people who are harmed by gambling. We recommend inviting several people with lived experience of gambling harm to participate in the Implementation Committee. We also recommend that harm minimisation experts/advocates continue to participate in the design and implementation of this significant reform.</p>
Impact on industry and employment	
<p>Recommendation 1.13: The NSW Government complete additional analysis as part of any decision on account-based gaming regarding impact on industry such as revenue and employment impacts as well as other relevant factors, including the</p>	<p>Support. One of the greatest impediments to the accurate assessment of gambling harm in NSW is the failure of any government or agency to commission research into the social cost of gambling,</p>

Executive Committee recommendation	Endorsement or alternative view
social cost of gambling.	<p>particularly once the alarming results of the Victorian study commissioned by the VRGF was published in 2017.</p> <p>We are disappointed that the social costs of gambling are relegated to “other relevant factors” rather than being equally important as the impact on the industry.</p>
	<p>Proposed additional recommendation:</p> <p>1.14 The government should introduce a policy reflecting good public health practice to ensure that no operator of any account-based system, the exclusion register or any other new system which is created by these reforms is an entity that is either a gambling operator or affiliated with a gambling operator. This should be extended to the operation of the CMS once the current contract expires.</p> <p>This follows the precedent established by the federal government for BetStop.</p>

Gaming machine operations and trading

Executive Committee recommendation	Alternative view
Gaming machine entitlement trading (LIA & GME leasing scheme)	
<p>Recommendation 2.1: The NSW Government consider ways to simplify the Local Impact Assessment (LIA) process and increase transparency.</p>	<p>We do not support this recommendation in this form but would support a recommendation that the NSW Government hold a public inquiry into the Local Impact Assessment process. While no potential reform is out of scope, there was no substantive discussion during the Panel’s deliberations around the LIA process. Wesley Mission did not have an opportunity to table its extensive and strong views around the LIA process. We have developed these as background to our reform call to give communities more say in the LIA process through legislating the rights of Councils to make submissions on all LIA applications (regardless of the venue’s Band or number of machines applied for) and to have the right to appeal any decision made by ILGA.</p> <p>In our opinion, there is currently insufficient community consultation when venues apply for EGMs, and some fundamental flaws in the LIA process, including the lack of evidence for determining Bands and allocating SA2s into one of three Bands. We recognize that now that ILGA has improved staffing there</p>

Executive Committee recommendation	Alternative view
	<p>is greater scrutiny of applications. However, we note that in the past we have referred what we believe to have been false claims in LIA applications to Liquor and Gaming.</p>
<p>Recommendation 2.2: The NSW Government retain the GME leasing scheme subject to the following revisions:</p> <ul style="list-style-type: none"> • ensure the lease agreement prices are reasonable with reference to market rates • ensure only venues that are actively trading can utilise the scheme, with exceptions for temporary closures in certain circumstances • require the scheme to be subject to forfeiture. 	<p>Support</p>
Reducing the number of gaming machine entitlements (forfeiture and buy-backs)	
<p>Recommendation 2.3: The NSW Government consider ways to simplify forfeiture requirements and exemptions to best achieve the objective of reducing the number of GMEs in NSW.</p>	<p>Provisional support, only to the extent that this results in reducing the number of both GMEs and operating EGMs in NSW.</p> <p>Wesley Mission would have preferred a recommendation that the NSW government consider abandoning the forfeiture via trading system as the only mechanism to reduce machine numbers in NSW, and that NSW perpetual licenses be converted to time-limited licenses, as in Victoria. Under such a conversion, to retain licenses, renewal fees would be set proportional to the cost of getting a new license and in line with community sentiment at the time. We predict that venues will choose not to renew all their licenses, which would then be extinguished. The first time-limited licenses could be as long as 20 years (although with some forfeiture mechanism operating simultaneously), but we suggest rapidly decreasing time limits for GME licenses from then on.</p> <p>Wesley Mission notes that the NSW Government routinely makes decisions regarding assets owned by businesses. A pertinent example has been the disruption of the taxi industry by ride-share firms, very significantly impacting on the value of a taxi-plate. Anyone is subject to the government acquiring their property for infrastructure purposes. With sufficient lead time, there is no reason why the government could not similarly legislate this change, having first consulted appropriately and obtained legal advice.</p>

Executive Committee recommendation	Alternative view
	<p>There is a social license to operate gambling machines in NSW. The price of that changes over time. Moving from perpetual to time-limited licenses allows for a reflection of changing community sentiment.</p>
<p>Recommendation 2.4: The Executive Committee notes that a buy-back scheme will be costly and not likely to impact gaming machine numbers in a significant way. However, should the NSW Government choose to implement a scheme, it should:</p> <ul style="list-style-type: none"> • be voluntary and open to NSW clubs and hotels • be simple and transparent • target the existing commitment of 2,000 GMEs over five years • be priced at \$30,000 for a gaming machine entitlement • be used to assist and incentivise venues to implement account-based gaming. 	<p>Qualified support, in that the funds for the buyback should not come from either the Star \$100million fine or the pool of funds in the Community Benefit Fund. The industry may have to pay a special levy to finance the buybacks.</p> <p>Any enthusiasm for this “reform” is muted due to our belief that there are already significant redundancies in the system in NSW – for example, a number of clubs have significant numbers of machines which are largely idle. We do not believe, and evidence from other jurisdictions suggests, that an industry-determined divestment of 2000 machines will make any difference to losses or harms.</p>
Gaming machine operating hours	
<p>Recommendation 2.5: The NSW Government:</p> <ul style="list-style-type: none"> • retain the minimum six-hour shutdown period, commencing no later than 4am • repeal all existing variations, allowing a transition period for venues <p>If the NSW Government chooses to implement a new hardship variation it should be time-limited with very stringent criteria and still provide for a continuous six-hour shutdown period.</p>	<p>We reject the first part of this recommendation. The evidence supplied to the Panel and available to the Executive demonstrated that gambling after midnight is dangerous, with increasing levels of harm into the early hours of the morning. Wesley Mission strongly advocates for midnight – 10am shutdown for every machine, every night.</p> <p>We do not repeat the evidence here, as it forms part of the tabled papers, other than to note that the most recent studies have comprehensively dealt with the claims that shift workers are entitled to access poker machines late at night, even though they are not able to access other service industries in the early hours of the morning.</p> <p>We are surprised and disappointed that there is not a recommendation for at least a 2am shutdown, given that the ACT is moving to a 2am-10am shutdown from January 2025.</p>

Executive Committee recommendation	Alternative view
Reducing the cash input limit on older gaming machines	
Recommendation 2.6: The NSW Government reduce the cash input limit on existing EGMs in a staged approach, targeting the higher limit machines first with all machines reduced to a \$500 limit when two-way protocol or account-based gaming system becomes mandatory.	Support , though noting our opposition to retaining cash once the account-based system becomes mandatory

Harm minimisation measures

Executive Committee recommendation	Alternative view
Loyalty programs	
Recommendation 3.1: The NSW Government commission a comprehensive review of loyalty programs in NSW gaming venues to examine the structure and incentives of these programs, identify any potential risks that may influence gambling behaviour, and any harm minimisation opportunities.	Support , and further recommend in the interests of transparency and promoting trust in the system, that any evaluation be automatically published.
Community awareness and outreach	
Recommendation 3.2: The NSW Government consider: <ul style="list-style-type: none"> implementing mandatory and more detailed signage in venues that explicitly explains how the game calculates outcomes for every spin, emphasising that individuals cannot influence or manipulate the outcome increasing community outreach as part of GambleAware supporting financial literacy school programs ensuring the statewide register effectively complements support services. 	Support all recommendations for research into effectively communicating to gamblers, and to raise general awareness through schools and other community channels. <p>We note that we are unconvinced that explaining odds to people already seated at a poker machine will help them make better decisions, as we think that it is not only too late, but that the research shows that people are generally not very good at assessing the odds of their own behaviour leading to a positive outcome</p>
Gambling harm minimisation research	
Recommendation 3.3: The NSW Government engage with the Commonwealth and other governments to explore a national approach to gambling research and funding.	Support , noting our earlier tabled opinion on the best expenditure of the Star \$100 million fine would be, in part, to fund an independent gambling research institute. <p>We also recognise that Gambling Research Australia exists but is under-utilised and probably underfunded. We also recognise the work of the Australian Gambling Research Centre in the Australian Institute of Family Studies, which is also almost certainly underfunded. We point to our reliance on the research output of the Victorian Responsible Gambling Foundation which, when it was in existence, was responsible for studies such as the Social Cost of Gambling in Victoria. A similar but even more independent institute would be of value to NSW.</p>
Gaming machine features	
Recommendation 3.4: The Executive Committee supports the reforms to the Gaming Machine National Standards (GMNS) currently underway and	Support , noting that despite several inquiries via the Panel and by Wesley Mission, we have no visibility of the agenda

Executive Committee recommendation	Alternative view
notes NSW is part of the multi-jurisdictional forum leading these reforms. If these reforms are not realised, the Executive Committee recommends the NSW Government considers pursuing amendments to the GMNS at a State level.	or timeframes of the GMNS forum. We would support an extended recommendation that these be made public by the NSW government at the earliest opportunity, and that in future the agenda and timetable of the Forum is always publicly available. We also would support a recommendation that NSW nominate several lived experience advocates as part of its delegation to the Forum.
Recommendation 3.5: The NSW Government consider aligning the maximum bet amount per spin with other states and move toward a nationally consistent approach.	Support , as long as that maximum bet amount is less than the current amount in NSW and closer to \$1
Gaming machine advertising	
Recommendation 3.6: The Executive Committee supports the current restrictions on gaming machine advertising as a harm minimisation measure and recommends the NSW Government maintain such restrictions, including on new mediums such as account-based gaming technologies.	Support and extend to cover all NSW government property, including Transport NSW (which currently carries gambling and social casino advertising).

Legislative reform

Executive Committee recommendation	Alternative view
Recommendation 4.1: The NSW Government modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling.	<p>Support, commencing with the Roadmap changing all use of “gaming” to “gambling” and “play” to “use” or “gamble”.</p> <p>We do not support the use of “safer gambling” although we have had conversations with the Office of Responsible Gambling who inform us that the target audience of regular gamblers responds better to this than language around risk and harm. At a minimum, their research on this should be made public.</p> <p>It is time to retire the phrase “problem gambler” and to move away from terminology attached to the PGSI, where someone who is currently experiencing low levels of harm is referred to as “low-risk”, and where others impacted by gambling harm are invisible to public policy.</p>
Recommendation 4.2: The NSW Government conduct a comprehensive evaluation of the gaming reforms to assess their effectiveness and impact at the appropriate time.	Support , and further recommend in the interests of transparency and promoting trust in the system, that any evaluation be automatically published

Executive Committee recommendation	Alternative view
<p>Recommendation 4.3: The NSW Government undertake a statutory review of the Gaming Machines Act 2001 in 2028 to:</p> <ul style="list-style-type: none"> ensure that the gaming legislative framework is modern and remains fit for purpose review the penalty provisions to ensure they remain appropriate review the effectiveness of the current decision-making framework with the legislative framework and identify avenues to allow greater flexibility. 	<p>Support, and further recommend in the interests of transparency and promoting trust in the system, that any evaluation be automatically published</p>

Allocation of funding

Executive Committee recommendation	Alternative view
<p>Recommendation 5.1: The \$100 million Harm Minimisation Fund be used for the following initiatives:</p> <ul style="list-style-type: none"> the implementation of account-based gaming, including communication and marketing, change management activities, evaluation and monitoring, and any appropriate industry support and transitional requirements the development and implementation of the statewide exclusion register, with ongoing maintenance to be industry funded system-wide costs associated with the implementation of facial recognition technology, with installation to be industry funded. 	<p>Limited support, noting we have previously submitted a proposed budget for the use of the \$100 million Star fine. We oppose expenditure that puts money into the hands of venue owners or operators rather than funding directly harm minimisation measures.</p> <p>The exclusion register should be funded by the gambling industry, just as the online gambling sector has funded the construction and on-going operations of BetStop. Noting that the products of the poker machine industry created the problem, it should fund part of the harm response.</p> <p>Under no circumstances should the Star fine be used to pay for costs associated with the implementation of FRT. No independent trialling (of the kind this Panel has overseen) or evaluation has ever been made available regarding the effectiveness of FRT. We believe that FRT will in any case be rendered redundant by the roll out of mandatory account-based, identity-linked, harm minimisation focused, gambling system. Such a system will have the capacity to implement an effective state-wide self-exclusion register.</p>
<p>Recommendation 5.2: The NSW Government work with the Responsible Gambling Fund (RGF) to identify:</p> <ul style="list-style-type: none"> how additional funds can be directed to fund support services and independent gambling research potential alternative funding sources for the RGF. 	<p>Support</p>

Executive Committee recommendation	Alternative view
<p>Recommendation 5.3: If the NSW Government implements a buy-back scheme it should be funded outside of the \$100 million Harm Minimisation Fund.</p>	<p>Limited support, noting we have previously submitted a proposed budget for the use of the \$100 million Star fine. We oppose expenditure that puts money into the hands of venue owners or operators rather than funding directly harm minimisation measures.</p> <p>The exclusion register should be funded by the gambling industry, just as the online gambling sector has funded the construction and on-going operations of BetStop. Noting that the products of the poker machine industry created the problem, it should fund part of the harm response.</p> <p>Under no circumstances should the Star fine be used to pay for costs associated with the implementation of FRT. No independent trialling (of the kind this Panel has overseen) or evaluation has ever been made available regarding the effectiveness of FRT. We believe that FRT will in any case be rendered redundant by the roll out of mandatory account-based, identity-linked, harm minimisation focused, gambling system. Such a system will have the capacity to implement an effective state-wide self-exclusion register.</p>

Sequencing of Roadmap reforms

Executive Committee recommendation	Alternative view
<p>2024:</p> <ul style="list-style-type: none"> • Allow trial participants to adopt account-based gaming • NSW Government determine timeframes for: <ul style="list-style-type: none"> ◦ Working with the Responsible Gambling Fund on increasing community outreach as part of GambleAware, supporting financial literacy school programs, identifying how additional funds can be directed to fund support services and independent gambling research, and identifying alternative funding sources ◦ Considering alignment of the maximum bet amount with other jurisdictions ◦ Evaluating the Roadmap reforms. 	<p>Due to our dissent to several of the substantive recommendations in this report, we are not commenting on the timeframe for roll-out.</p>
<p>2025:</p> <ul style="list-style-type: none"> • Amend legislation to enable voluntary adoption of account-based gaming • Establish account-based gaming 	

Executive Committee recommendation	Alternative view
<p>Implementation Committee</p> <ul style="list-style-type: none"> • Complete analysis regarding impact on industry (including employment and revenue) and the social costs of gambling. • Commission research/advice/consumer testing on account-based gaming design • Commence procurement and/or build of account-based gaming system • Amend legislation to simplify the Local Impact Assessment process and increase transparency • Amend legislation to revise the GME leasing scheme to be subject to forfeiture, ensure only venues that are trading utilise the scheme & that lease agreement prices are reasonable • Amend legislation to simplify forfeiture and exemptions to help reduce the number of GMEs in NSW • Amend legislation to revise operating hour variation application criteria and repeal all existing gaming machine operating hour variations • Amend legislation to implement mandatory outcomes calculation signage • Modernise the terminology in the legislative framework to reflect a contemporary and public health approach to gambling. 	
<p>2026:</p> <ul style="list-style-type: none"> • Allow venues to voluntarily adopt venue-based account-based gaming • Introduce a buy-back scheme (if implemented) • Review loyalty programs. 	
<p>2027:</p> <ul style="list-style-type: none"> • Launch the centralised account-based gaming system. 	
<p>2028:</p> <ul style="list-style-type: none"> • Mandate account-based gaming statewide • Reduce all cash input limits to \$500 • Undertake a statutory review of the Gaming Machine Act. 	