

PRODUCTIVITY COMMISSION DRAFT REPORT

Dear Commissioners,

I would just like to make the following remarks regarding certain draft recommendations and a few other general comments.

\$200 limit on ATMs

The \$200 limit per day would be helpful to people who are tempted to access ATM's to the point where it may become detrimental to them. Although the reasons for it have been explained, I am still a bit puzzled by the seeming ambiguity concerning the role of ATMs in venues facilitating excessive use of poker machines (it's a bit of a chicken and egg dilemma I suppose). However, I also understand that easy access to cash at all hours of the day and night from other sources does make the removal of ATM's contentious. Furthermore I can see that if people were only able to collect money from outside where credit is also available then this adds another temptation. No matter which way you go it is still hazardous because as the situation stands, if you continually drain your account at a venue then eventually you may/will end up accessing credit anyway for general living expenses plus poker machine usage. Unfortunately there are many angles to look at this from and I can also appreciate that people use ATM's in venues for all sorts of reasons. However by limiting the amount within venues to \$200 per day may curtail some of the problems associated with money being so readily accessible.

Looking at the bigger picture however, if most of the crucial recommendations are implemented and they do work then it would be premature to consider removing ATM's. Conversely if there are no meaningful changes after this inquiry then for me personally, I maintain what I said in my original submission about ATM's, where I did and still do understand the difficulties surrounding them.

Over \$250 paid by cheque

I think this is a good idea. Presently here in NSW the amount is \$2000. I am very aware of the problems associated with this as I have been guilty of such things as literally wasting the excess credits (which were not exactly peanuts) to bring the amount down so as to be able to collect the cash. Some people may even get the excess in the form a cheque and keep the rest in cash. Although this situation was an infrequent occurrence because of the difficulties in achieving such a pay, it is however a dangerous situation as there is the possibility of the entire amount being fed back in and you walk away with nothing. This also applies to lesser but nonetheless, still quite substantial amounts. If you try this caper with \$250 it is bad enough but nowhere near as disastrous as with the larger amounts. The \$250 limit is a good control mechanism but it would require the backup of other measures.

Again, depending on what recommendations are accepted, if among them the \$1 limit is realized then a machine on its own merit (without jackpots) accumulating anything like \$2000 in credits within a session would be a very unlikely event anyway.

Reduction to \$1 bet

I am pleased that the Commission has recommended the credit be dropped to \$1. I know only too well that by even playing \$1 a spin (or less) which I had done for many years, for your average person the accumulative losses can still end up being substantial and quite damaging.

Looking at this from the perspective of having been in the thick of it, by reducing the bet to a \$1, the one thing that stands out to me is the psychological aspect. Due to a \$1 (hypothetically) now being the most expensive/extreme bet available, this then becomes a bit of a reality check. It puts back into perspective the value of the dollar. When spending \$1 or less becomes the norm people may be more inclined to see that spending at much lower levels is really more appropriate for them. However, I do see some of the problems with this \$1 limit in relation to how the machines

are presently configured including the denomination of them. One thing that might be useful to some extent is the IGT auxiliary touch screen credit adjuster I mentioned before. At the time I wrote my original submission I had not recalled seeing it for a long time. However, it has since come to my attention that this function is on at least some of their machines. I am sure they will be able to sort such technical details out.

\$20 note limit

This is a more reasonable amount to insert into the machines, however it is very necessary that the other part of the recommendation is implemented. If \$20 notes can be loaded up one after the other I still can't see this helping very much. Although not the same, it reminds me a little bit of having limits on withdrawals from ATM's but still allowing multiple transactions. However if one has to wait until credits fall below \$20 then this takes care of a few problems. It stops people loading up, it stops people topping up particularly at higher levels (which can also be bad news) and it is a further positive step in making people a bit more aware of the money they are spending.

The Airbag Solution

From my own experience with the machines I do see some benefits in this as it will help if losses are curtailed when in such a mode. If you could play the machines where the money side of things is less intense, this could also be a window of opportunity to break away from them if that is what you would really like to do. Especially when you consider that in this particular circumstance you are playing in this mode because there is some kind of a problem. After reading this section several times and as much as I see a positive side to it, I also see a dark side assuming I have correctly understood the general idea of it. As the example suggests (on p 11.26) if someone exceeds an expenditure limit for the year and presumably for the rest of that year (which could be a number of months) they play in this other mode, on the positive side this is beneficial to them in monetary terms. However, this is where my hesitation about it is and it applies generally. Knowing what can happen when you are involved with these

machines and since there is a fair bit of habituation involved. Depending on various factors, there is the possibility that when it is time to play them normally again the outcome may not be so good. The effect could be a bit like someone who has been lulled into a sense of security with preventative asthma medication, then turfing it but carrying on as if things were still the same as when taking it. By the same token, if the expenditure is again exceeded too soon and continues this way, it may well prompt more people to do something about it, particularly if attention is drawn to them because of it. Regardless of how this measure might be arranged, if it were put into practice it may well have some interesting effects.

The more times I read and reflected on this particular section, the more I realized how it goes directly to the heart of where my problems lay with these machines. I ended up in a bad way after decades of playing them and there were many factors involved. To explain it simply, if I had my time over again and from the very start I fully realized what could happen to you when playing these machines, particularly as they evolved from what they once were. If I had a choice way back then whilst fully understanding the risk (which completely eluded me then); I have no hesitation in saying, that if such an option existed and just supposing it were possible, I would have chose to play in “safe mode” at all times as describe on p7.21. This is where my mindset was at. I explained to a degree where I stood in all of this in my original submission, of how it was really about “winning to play” not “playing to win”. I didn’t mind “paying to play” for a bit of “entertainment” but not in the way it eventually turned out.

Overall I think the recommendations put forward will make a real noticeable difference regardless of what peoples motivations are for playing. However, at this stage it is so hard to know how it will all pan out simply because it all depends on what measures are actually going to be introduced, to what degree and when. I still think the most important thing is a pre commitment system that truly has the interests of the consumer as its primary focus. Although there are no perfect solutions in this world, what a system like this would mean, is that it gives people

some insulation and brings them closer to making genuine decisions about what they truly want to spend.

The pre commitment that is being proposed is superior to one that just allows you to opt in and out on a whim. Upfront I just want to stress that I do understand the actual intention and the reasons for what is being suggested by the example of \$150 per week as a general default setting. Furthermore it is understood that people have a choice. Therefore, this can be either accepted or rejected and if desired they can set an amount they think is appropriate. As I understand it, although binding, it is not forever cast in stone. This completely addresses all the practical aspects of the following misgiving I have (p7.27) and so in this regard no further comment about it is really necessary at all. However, speaking in a totally separate context concerning this same section, there was just something in the presentation of it that niggled at me. The \$20 mentioned as not being fitting, when seen in a different light comes across as perhaps a little dismissive of some people's situations. For certain pensioners etc who might like to have a bit of a play on the machines, they may not be able to afford a great deal more than \$20 per week and setting a weekly limit somewhere in this range may well be in their best interests. They may be wise in not wanting to get into a bind of spending too much money on this one particular activity at the expense of other things they enjoy, particularly if they live on a very tight budget. As I understand it, they could change this amount if they really wanted to. At the other extreme, I guess there will be some larrikins and certain others who may set too higher limits, but hopefully many more will be sensible including "problem gamblers" in setting limits that are appropriate.

I also think it is very important that it is not too complicated. This measure combined with the \$1 limit, note acceptor changes, a one off withdrawal of \$200 from ATM's and a \$250 limit on cash payouts will certainly help a great deal. I think for at least some time to come, each of these measures needs the other in order to make a real dent in this enduring problem.

I have been looking through some of the post draft submissions and to date a number appear to have rather standardized responses. What I find a

bit hard to understand, are these proposed measures really that catastrophic. The vast majority of people that I have seen in these clubs over many years seem to be pretty average people. I would be very surprised if a great many of them were rolling in so much money to the degree that they could support any great losses without it being damaging to them.

These venues espouse “responsible gambling” and this entails endorsement of people spending what they can really afford. It would appear they believe the vast majority who attend their venues are “recreational gamblers” meaning those who do not have a problem. A good many of these people would seem to fall into the category of those who play relatively low stakes on infrequent or more regular occasions and pretty much stick to a budget. It would also appear that a good many of these people including a fair portion of “problem gamblers” do not play more or much more than \$1 a spin and this is certainly what I saw over many years of playing them. Of course there were others who played at higher levels (including me eventually) but they were outweighed by those who played less. A fair number of people who are in this touted category would be unlikely to complain very much if they had to take a cheque or deposit for a win over \$250. Furthermore, people who play at this level are not necessarily partial to shoveling in note after note. I have watched what these people do and a fair few that I have seen don’t even put \$20 notes in. They may put \$10 and \$5 notes in and they often wait until it has gone or is nearly gone before putting in the next note and they don’t necessarily stick around for all that long. By the same token, I saw a fair amount of people who were similar to me.

If the vast majority of these people are what these venues say they are i.e. “responsible recreational gamblers” with the recommendation of pre commitment, once these people set an amount, most of them would hardly think about it as they would spend within their means anyway.

To a very large extent I really know what these people are about because once upon a time I was one of them myself. I talk of these things because the conflict about it really bothers me. Venues do like to tout these people

as typically representative of those who attend their premises and supposedly they don't want "problem gamblers." However, the strange thing about this, in order for an individual like me to fit this mold again, I would necessarily have to go back to what I once was - which is to be like them. Not surprisingly this would entail playing the machines within the boundaries of what all these recommendations are trying to achieve. I eventually stepped way over the mark, yet these "recreational gamblers" still remain within it. They have not surpassed (as yet) the perimeters where most of these recommendations would really make any great difference to them. However, I and others have and more will continue to do so if these recommendations are ignored, diluted or are simply put off indefinitely. I am sure that I speak on behalf of many, in that, our wandering beyond these safe boundaries into this unfamiliar and inhospitable place was not really our intention.

If these venues don't want "problem gamblers" then why deny people having some real effective means to protect themselves so they have a better chance of not falling into this category. Isn't it better all round if the money being received by these venues has not come at a great cost to some of their past, present and future patrons.