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Dear Ralph,

Re Productivity Commission Draft Report (P.C.D.R.) - Gaming Machines

I refer to our telephone conversation of 8<sup>th</sup> October, 99 and enclose a relatively brief account of my overall view of gaming machine addiction and have referred to the P.C.D.R. where practicable keeping in mind I haven't yet fully read and absorbed the full draft report.

I first started playing gaming machines (G.M.) in N.S.W. in 1980 and 19 years on I'm still playing them, albeit in Victoria. Despite the pitfalls, the duration and level of use of G.M. by myself has given me the opportunity of observing countless other G.M. players and I now use this extensive field research to explain:-

- (1) Why G.M. are so addictive;
- (2) Why the level of G.M. addiction is understated; and
- (3) What can be done to prevent and cure addicted G.M. players?

(1) Why G.M. are so addictive - G.M. are so addicted because they are designed to be so (P.C.D.R. 15.69). Some mechanisms employed that lead a G.M. player to addiction are listed below:-

- (a) Bill Acceptors I agree with and refer to (sub 73 p 8 P.C.D.R. 15.69). I note that since the release of the P.C.D.R. the number of Bill Acceptor machines has increased significantly at both my local gaming venues.
- (b) Feature A lot of G.M. contain a feature which gives free games or a bonus if a certain combination comes up. e.g. one machine offers 15 free games at triple prize value if you spin up the right combination. A lot of money is lost by G.M. players trying to win the feature. The odds of the feature coming up and paying when it does is not known by the player.
- (c) Musical Awards (P.C.D.R. 15.69)
  - (i) gives the player the impression and reassurance that they are actually

winning something.

- (ii) tells other people in the venue that they are winning which makes the player feel clever and reduces the guilt they have built up as a result of previous losses
- (iii) with many machines being played at the same venue at the same time at least one machine is bound to be paying something and making a noise so it appears that someone is always winning.
- (D) New Misses With many G.M. players playing 9 lines at a time near misses (5 of a kind) is a regular occurrence. This gives the G.M. player the impression that their not far off a win
- (E) Colour combinations G.M. use similar colours e.g. three shades of blue for 3 different symbols. This results in a spray of blue frequently appearing on the screen giving the player the illusion that they have won something or almost won something (see 1.0 above).
- (F) Access to Addicted Cash The more cash the addicted G.M. player has access to the more they will play, the more they will lose and the more they will become addicted. Giving an addicted player access to ATMs / EFTPOS at G.M. venues is like giving an alcoholic the keys to a bottle shop.
- (G) Marketing Giveaways, free tea, coffee etc helps the addicted player relax and justify their presence at G.M. venues.

(2) Why the level of G.M. addiction is understated To arrive at a realistic estimate of the level of problem G.M. gambling we have to apply a realistic definition of "a problem gambler" my definition is "any person whose quality of life has been reduced as a result of gambling". e.g. you now buy no-brand label food for your children (health) or you don't pay your bills on time (stress). Have all these people been classified as problem gamblers?

We also need to know how many people admit and identify <sup>that</sup> they have a gambling problem for each person that doesn't. This may seem

that generally speaking the nature of a problem gambler won't allow them to walk in to a gaming venue and announce to the world that they have a gambling problem by picking up a Breakeven Card.

(3) What can be done to prevent and cure addicted Gam. Players?

The best solution I've come across is contained in Base 15.12 (P.C.O.R. 15.61).

Without impinging on the rights of the social G.M. player in any way whatever the ideal card would allow a G.M. player to set a maximum loss per week of say \$20 with the option of reducing that amount at any time to the point of self-exclusion but with the restriction of not being able to increase the initial maximum loss per week for a period of say 12 months.

If the operators of gaming machine venues say "we don't rely on the patronage of problem gamblers for our survival" then introduce the 'ideal card' if they say "we do" then still introduce the ideal card.

I trust some of the aforesaid is of some benefit to you and the Productivity Commission.

Yours Sincerely,

