



## Minutes of Meeting

### Gambling Products Working Group

TRIM ID: CD/20/5951

Meeting details		
<b>Meeting title:</b>	Gambling Products Working Group	<b>Meeting #:</b> 2-2020
<b>Date:</b>	Wednesday 22 April 2020	<b>Time:</b> 11 am
<b>Location:</b>	By audioconference	

Attendees	Title / organisation
Jason Cremona	Manager, Licence Management & Audit (VCGLR) (Chair)
Corrie Cavarra	Principal Evaluations Officer, LMA (VCGLR)
Steve Thurston	Licence Manager, LMA (VCGLR)
Craig Jenkins	Policy Officer, Legal Services (VCGLR)
Tim O'Farrell	Manager, Regulatory Strategy & Research (VCGLR)
Lindsay Shaw	Policy and Knowledge Officer (VRGF)
Tony Phillips	Head of Knowledge and Information (VRGF)
Brett Hetherington	Senior Industry Engagement Officer (VRGF)
Claire Edwards	Principal Policy Officer, Liquor and Gambling Policy (DJCS)
Helen Miller	Principal Policy Officer, Liquor and Gambling Policy (DJCS)
Jessica Barrett	Principal Policy Officer, Liquor and Gambling Policy (DJCS)
Susan Graham	Principal Policy Officer, Liquor and Gambling Policy (DJCS)
Steven Lang	Manager, Gambling Policy (DJCS)
Apologies	Title / organisation

Item	Subject
0.	<p><b>Opening/apologies</b></p> <p>Jason Cremona opened the meeting at 11 am and welcomed attendees.</p> <p><b>Minutes of previous meeting</b></p> <p>Minutes of the previous meeting on 29 January 2020 had been circulated and were accepted.</p> <p><b>Action Items</b></p> <p>No action items - two action items from previous meeting were closed concurrently with the distribution of the minutes:</p> <ul style="list-style-type: none"> <li>• Tim O'Farrell. to supply members with link to NSW material on responsible gambling assessment</li> </ul>

Item	Subject
	<ul style="list-style-type: none"> <li>• Steve Thurston to provide update on TITO deployment</li> </ul>
1.	<p data-bbox="236 436 1482 481"><b>Updates from last meeting.</b></p> <p data-bbox="236 481 1482 526"><b>a) Proposed Vic Appendix Changes (RTP, LDW &amp; Results Display)</b></p> <p data-bbox="236 526 1482 571">Jason Cremona provided an update on progress with the proposed Vic Appendix changes:</p> <ul data-bbox="236 571 1482 1680" style="list-style-type: none"> <li>• Attendees will recall that, when proposed amendments were put to the Minister, the Minister’s response was that consultation on proposed amendments should be broader than the previous targeted consultation, and should include entitlement holders/venue operators</li> <li>• As a result, consultation on the complete package of proposed amendments has since been undertaken with a wider audience including Venue Operators, Roll Listees, VRGF, peak bodies, Crown Melbourne Ltd, and Dr Mark Zirnsak (Uniting Church)</li> <li>• Feedback was received from ALH Group, Community Clubs Victoria, Australian Hotels Association, Gaming Technologies Australia (for manufacturers other than Aristocrat), Crown Melbourne Ltd, and Aristocrat</li> <li>• The feedback was generally not supportive of the three proposals, but there was particular resistance from AHA, ALH and CCV in respect of LDW, with stakeholders arguing: <ul data-bbox="335 1075 1482 1243" style="list-style-type: none"> <li>○ that the judge’s comments in the Shonica Guy court case indicated no harm in LDW</li> <li>○ there is no documented research into the impact of LDW on responsible gambling, or for that matter, the other two proposals (RTP and Results Display)</li> </ul> </li> <li>• Licensing staff at the VCGLR have now reviewed the consultation feedback and have drafted a Commission Paper with the intention of submitting the paper to the May 2020 meeting; the paper is currently in hand with the Director Licensing for endorsement.</li> <li>• The paper is putting various options to the Commission, one of which is that “congratulatory messaging” be banned.</li> <li>• Jason Cremona confirmed that any changes to the Vic Appendix will apply to new approvals of EGMs and games following the making of the amended standard – it does not apply retrospectively.</li> <li>• Following a request, Jason Cremona agreed to check whether he could get clearance to share the draft Commission Paper, or a summary of the recommendations with the GPWG. (Action Item No. 1)</li> </ul> <p data-bbox="236 1680 1482 1724"><b>b) Development of the RBF &amp; RGAT</b></p> <p data-bbox="236 1724 1482 1769">Jason Cremona gave an update on the development of the <b>Risk Based Framework (RBF)</b> and its role in EGM and game approval:</p> <ul data-bbox="236 1769 1482 2033" style="list-style-type: none"> <li>• RBF is a triage tool designed specifically for EGM types and games</li> <li>• When an application is received by the VCGLR, it is triaged by the Principle Evaluations Officer (PPE)—Corrie Cavarra—who now uses the RBF to assist him in determining the level of risk presented by the application</li> <li>• Jason Cremona is the usual delegate who signs off EGM and game applications</li> </ul>

Item	Subject
	<ul style="list-style-type: none"> <li>The RBF tool lists 30 questions to be answered by the PPE, and based on the responses, the tool categorises the applications as low, medium or high risk</li> <li>The risk level will determine the level of scrutiny and the level of delegation that the application is submitted to for approval</li> <li>Use of the tool is in the early stages – the PPE has started using it this week</li> </ul>
	<p>Corrie Cavarra pointed out that</p>
	<ul style="list-style-type: none"> <li>The tool appears to be working okay</li> <li>Early observations are that there may need to be some “tweaks” to the scoring of particular questions</li> </ul>
	<p>Tony Phillips asked whether a new game like (for example) Pop Shots is fully assessed or if only the new features presented by that game are assessed.</p>
	<p>Corrie Cavarra explained that every application for a game or EGM is fully assessed, but there is a particular focus on new features of games like Pop Shots.</p>
	<p>Tim O’Farrell gave an update on the <b>Responsible Gambling Assessment Tool (RGAT)</b>:</p>
	<ul style="list-style-type: none"> <li>Unlike the RBF, the RGAT was designed to apply to new product assessment rather than just the triaging stage, and was also intended to apply to the broad spectrum of gambling products not just EGMs and games</li> <li>The tool represents a “marriage” between the technical/operations focus of technical standards and responsible gambling factors</li> <li>As part of the tool, the committee working on the RGAT is developing principles/guidance that should go back to a gambling product applicant</li> <li>Jason Cremona added that the challenge was in trying to develop a one size fits all tool – but the committee has now developed separate forms of the RGAT for different product types (noting that, for example, casino products may be quite different from lottery products)</li> <li>The Committee working on the RGAT will meet in the next few days with a view to finalising a draft RGAT shortly</li> <li>Next step will be to consult with the Minister prior to stakeholder consultation.</li> </ul>
	<p>Tim O’Farrell also mentioned that:</p>
	<ul style="list-style-type: none"> <li>Jason Cremona and he attended the National Standards Working Party meeting yesterday</li> <li>NSW tabled the research by Schottler Consulting entitled “Literature review of the impact of EGM characteristics on gambling harm”</li> <li>NSW noted that there is overlap between products in terms of features that cause gambling harm</li> </ul>

Item	Subject
2.	<p data-bbox="240 365 895 398"><b>Responsible gambling new gambling research</b></p> <p data-bbox="240 412 1369 445">Tony Phillips gave an update on new gambling research that is available to the VRGF.</p> <ul data-bbox="288 465 1476 891" style="list-style-type: none"> <li data-bbox="288 465 1476 566">• Sam Thomas/Deakin University: Gambling attitudes of EGM users generally, not just problem gamblers; one area of uncertainty for EGM gamblers – where does the money go?</li> <li data-bbox="288 584 1011 618">• Gambling harm for women; levels of social isolation</li> <li data-bbox="288 636 1476 736">• A study that shows how people transition up or down the PGSI the study notes that as people move down the PGSI scale they lose awareness of harm; both EGM and sports betting gamblers move down the scale the more they spend.</li> <li data-bbox="288 754 1442 891">• Philip Newell (British academic on secondment to Central Queensland University – based at Melbourne campus): a study of young people who gambled (legally) before there were 18 years old and the impact on gambling as adults (study based on legal forms of gambling for people under 18 in the UK)</li> </ul> <p data-bbox="240 904 1078 938">Tony Phillips will circulate these references to GPWG members.</p> <p data-bbox="240 954 1453 1021">Steven Lang asked whether this study gave any insights into gambling on virtual sports such as Trakside noting how common virtual sports are in the UK and Europe.</p> <p data-bbox="240 1037 1450 1104">Tony Phillips was unsure if that was covered but will look for research on this particular topic in the VRGF research database.</p>
3.	<p data-bbox="240 1137 612 1171"><b>New products/innovations</b></p> <p data-bbox="288 1202 515 1236"><b>a) TITO Update</b></p> <p data-bbox="240 1254 1067 1288">Steve Thurston and Jason Cremona gave the following update:</p> <ul data-bbox="288 1305 1458 1693" style="list-style-type: none"> <li data-bbox="288 1305 1458 1406">• Rollout has continued since 18 December 2018 when TITO was first installed in Bell's Hotel South Melbourne, and deployments have been taking place during the covid-19 shutdown of gaming venues</li> <li data-bbox="288 1424 1458 1491">• Regular reports are being received by the VCGLR on the roll out and use of tickets in venues</li> <li data-bbox="288 1509 1442 1576">• As of 20 April, 2020, TITO had been installed in 2,178 EGMs at 59 venues (these 59 venues have a total of 2982 EGMs)</li> <li data-bbox="288 1594 1442 1693">• It should be noted that about a third of EGMs operating in Victoria (either old QCOM protocol versions or outdated VLC protocol) are currently unable to be upgraded for TITO</li> </ul> <p data-bbox="240 1711 1473 1812">Lindsay Shaw asked whether the VCGLR has figures on deployment of Credit Redemption Terminals (CRTs), noting some anecdotal evidence that some venues simply don't have room for CRTs.</p> <p data-bbox="240 1830 1473 1930">Steve Thurston noted that CRT deployments are not currently tracked, but that the regulations that require a minimum distance between the location of a CRT and the nearest EGM. (Gambling Regulations 2015 refer to Regulation 42D: 2 metres minimum distance).</p> <p data-bbox="240 1948 1198 1982">Brett Hetherington asked about TITO take-up and popularity with players.</p>

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Steve Thurston noted that when TITO was deployed in Bells Hotel South Melbourne, there was no apparent “song and dance” about the event and players were playing as normal. There was no milling around TITO machines. It appeared that TITO was introduced as a facility rather than a feature sought by players. The VCGLR does have access to a split in TITO turnover versus non-TITO turnover.

Jason Cremona and Steve Thurston will provide statistics on TITO turnover and CRT deployments, if available.

#### **b) Product requests post covid-19 closures**

Jason Cremona gave the following update on applications being received by the VCGLR since the start of covid-19 closures.

EGM games applications: applications from manufacturers have continued as normal, but nil applications for the casino.

Lotteries: System variations from the public lottery licensee have been business as usual.

Wagering: There have been some enquiries about obscure or exotic bet types (eSports, UFC, table tennis, reality TV) in light of the closure of large sporting events. These are just informal enquiries at the moment, and no formal applications have been received. Tabcorp has been told that these types of betting events would require a decision-making process as per normal, which could be lengthy process for novel types of events. Tabcorp was also informed that the Commission is highly unlikely to consider special approvals of betting events just for the covid-19 crisis period.

Jason Cremona noted that regulators in other jurisdictions are also receiving similar queries.

Discussion then turned to the process for approving betting events and the extent to which approvals for a betting event influence Victorian assessment or approval.

Jason Cremona acknowledged the difficulties associated with interstate approvals that are granted for betting events that would not be considered suitable in Victoria, but stated that the provisions of the Act are applied to every application for approval of a sports betting event regardless of approvals in other jurisdictions.

He also acknowledged the difficulty in assessing suitability of events controlled by international or overseas bodies but the VCGLR applies the requirements of the Act and as much due diligence as possible.

In addition to international events, it was noted that assessments of eSports are particularly challenging with approvals for one off or particular events being more likely than a broader approval for eSports.

#### **c) Interactive bingo**

Corrie Cavarra gave an update on two separate interactive bingo applications that have been submitted to the VCGLR:

- One is an application to run bingo sessions completely online
- The other application is for a bingo session to be played as normal, recorded, then streamed after the event for online players who have bought tickets online.

The applicants have been warned that the VCGLR will consult on these applications, and both matters have been referred for legal advice given the overlap with interactive gaming.

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	<p>Tony Phillips noted that the VRGF already has an issue with Player Electronic Terminals or PETs, potentially reducing bingo experience to that of a lottery, and suggested that online purchase of tickets for a streamed session may well be an extension of this effect.</p> <p>Brett Hetherington queried the integrity of buying tickets of a game that has already been played, but Corrie Cavarra indicated that the online tickets and the live tickets are all purchased in the lead up to the same game.</p>

#### 4. Regulatory considerations/concerns

##### a) Observations re: covid-19 impacts on industry

Jason Cremona spoke about the impact of covid-19 on revenue:

- All betting impacted with the exception of lotteries
- Newsagents are still open and there has likely been an increase online sales of lotteries vs retail purchases

Lindsay Shaw noted that lottery adverts have started to highlight the availability of online sales.

Tony Phillips noted a study showing that online sales for lotteries were already 27% of total sales before covid-19. The same AlphaBeta study showed that with the merger of BetEasy and Sportsbet, the combined company would have 40% of the online gambling space, putting Tabcorp in second place, with around 35% market share before lockdown. It was also noted that Tabcorp had invested heavily in the company's online offering.

The VCGLR agreed to obtain data showing the shift from retail to digital sales for lotteries.

Tony Phillips noted the potential impacts of covid-19 on problem gamblers. He noted that generally cold turkey recovery rates are good, which could happen for EGM players during lockdown. However, he warned of the danger of substitution of online gambling which would remove the impact of the lockdown on gambling problems. This would be hard to track statistically given that some gamblers would have multiple online accounts.

Susan Graham observed that the high spend online gamblers who gamble regularly have more than one account, and generally shop around for offers.

The VCGLR agreed to also seek a breakdown of digital versus retail/oncourse betting before and during covid-19.

VRGF is attempting to obtain POCT trends from DTF.

In response to a question from HM, TP said that the VRGF is currently looking into planning a survey on changes in gambling behaviour during covid-19. It may need to be a short-term intelligence project as a full study would

##### b) Regulatory sandbox (VCGLR consideration)

Jason Cremona updated the meeting on a VCGLR Licensing initiative to investigate the use of a regulatory sandbox in Victoria for the trial or testing of new gambling products.

Consultation has been undertaken with the NSW regulator, where a sandbox has been implemented in the casino, and some information was received from Singapore and Malta.

Item	Subject
	<p>At this stage, a regulatory sandbox does not appear to have proven itself anywhere. So far, there has been no take-up of the proposal by manufacturers of the sandbox in the NSW casino, despite previous discussions about trialling such things as e-wallets.</p> <p>The VCGLR cannot be certain about the barriers to take-up but they may be possibly due to the timing issue (sandbox trials will take some time) fear of early adopters about others who might coat tail on their work. It is understood the GTA is looking at the possibility of trialling a product on behalf of all their members.</p> <p>The intention in NSW is that the sandbox is only for products that challenge the boundaries. Helen Miller mentioned that Gambling Research Australia has decided to put out a tender for an 18-month study of skill based games, with results available in about two years. The tender is being led by NSW and Victoria.</p>

### c) Interactive gaming legislative change

Jason Cremona noted that the VCGLR currently has one application for an interactive game at the preliminary stages of assessment and has received a further enquiry for another interactive game.

Steven Lang noted that there are no legislative amendments in hand yet, but DJCS is again looking at the issue that the chapter of the Act dealing with interactive gambling is different from the chapters on other forms of gambling in that the interactive gambling provisions are defined by method of delivery whereas the other chapters define each gambling type by the nature of the product. DJCS is preparing to put a proposal to the Minister.

## 5. Commission Standards (new/existing)

### a) National Standards Working Party

Tim O'Farrell updated the meeting on the latest work of the NSWP as follows:

- The NSWP is now chaired by Victoria (Tim O'Farrell and Jason Cremona are joint chairs)
- The NSWP met the day before
- Covid-19 impacts were discussed
- NSWP noted that the National Standards were last updated in 2016, so it is now considered timely to review the standards with a view to producing draft amendments in 3 to 6 months
- A NSW literature review about new products and harm and high risk elements (which includes some research on LDW) will be noted when reviewing the standards; NSW will forward its review to other members of the NSWP.

Tim O'Farrell also noted that there is now a greater cohort of policy people involved in the NSWP, which may lead to more responsible gambling provisions being included in the standards. The standards are currently considered very technical.

Item	Subject
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6. **Other business**

Craig Jenkins noted that lodgement of submissions to the Commonwealth review of Australian classification regulation closed on 19 February 2020, and submissions were posted on the website. Some of the submissions are relevant to alcohol or gambling, and Craig Jenkins has file noted a summary of the relevant submissions that he has subsequently shared with members GPWG.

7. **Close / next meeting**

The Chair closed the meeting at 12:30 pm.

The next scheduled meeting is Wednesday 10 June 2020 at 10:30 am, location TBC.

**Please note:** If next meeting is held by teleconference, new dial-in details will be advised.

No	Action to be taken	Assigned to	Due date	Status
1.	VCGLR to check whether the draft Commission Paper on the Vic Appendix changes or a summary of the recommendations, could be shared with members of the GPWG.	JC	Next meeting	Open
2.	VRGF to circulate latest responsible gambling study references to members of the GPWG	TP	Next meeting	Closed
3.	VRGF will check the research database for any studies into harm associated with virtual sports	TP	Next meeting	Open
4.	VCGLR to check what data is available on use of TITO EGMs versus non-TITO EGMs and on deployment of CRTs	JC/ST	Next meeting	Open
5.	VCGLR will obtain and circulate data showing whether there has been a noticeable shift from retail to digital sales channels for lotteries.	JC	Next meeting	Open
6.	VCGLR will obtain and circulate data showing the shift between retail/on course wagering and digital sales for wagering.	JC	Next meeting	Open
7.	Craig Jenkins to distribute his summary of gambling/alcohol submissions to the Commonwealth review of Australian classification regulation	CJ	Next meeting	Closed