

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 74

Topic: Gambling

Hansard Page: E98 (02/06/2010)

Senator XENOPHON asked:

Senator XENOPHON—On a related issue, recently in the *Australian* Professor Kevin Harrigan from the University of Waterloo in Canada gave a number of lectures about the design of poker machines and features of near misses and losses disguised as wins, where you play 10 lines in a poker machine, you lose on nine but you win on one and it comes up as a win in terms of reinforcing that. Is this something that the ACCC has looked at? What liaison is there between the ACCC and various gambling regulators about issues of machine design? You may wish to take this on notice. It is a genuine question based on Professor Harrigan's recent evidence in Australia about features and machines that could be inherently misleading to consumers.

Mr Cassidy—Yes. We will have to take that on notice.

Answer:

The ACCC has previously looked at this issue. In 2002 the ACCC responded to correspondence regarding concerns about common design features on poker machines in respect to the 'win' amount displayed after every poker machine spin.

At that time, the ACCC was of the view that consumers are invited to gamble through the various representations made on poker machines and the cost of doing so is clearly stated. The average consumer would be aware that the poker machine is a form of gambling and therefore includes a risk of not winning. As the ACCC understood it, the "win" representation only appeared after the player had paid for the game and 'spun'. Therefore the player could not claim he or she was misled into playing the game on the promise of a "win". In any event it could be argued the term "win" under these circumstances refers to a general gain and is not a reference to any promise to return the initial outlay or more.

In the absence of any further evidence the ACCC's view regarding these specific concerns has not changed. The ACCC has not engaged in any liaison with gambling regulators about issues of poker machine design.

The ACCC notes that on 23 June 2010 the Productivity Commission released the report of its Gambling Inquiry. The ACCC is considering the recommendations of this report.