ANGLICARE
TASMANIA

Submission to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitments Scheme

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About Anglicare

Anglicare Tasmania welcomes the opportunity to provide a submission to the Joint Select Committee on Gambling Reform on the proposed pre-commitment scheme for poker machines. Anglicare also welcomes the opportunity to speak to this submission in person in February 2011 as arranged.

Anglicare Tasmania is the largest community service organisation in Tasmania, with offices in Hobart, Glenorchy, Launceston, St Helens, Devonport and Burnie and a range of outreach programs in rural areas. Anglicare provides emergency relief and crisis services, counselling and family support, accommodation support, employment services, mental health services, acquired injury, disability and aged care services and alcohol and other drug services. In addition, Anglicare's Social Action and Research Centre conducts research, policy and advocacy work with a focus on the needs and concerns of Tasmanians on a low income.

Our counselling and family support program runs Break Even services (now called Gamblers Help) funded by the Tasmanian Department of Health and Human Services through the Community Support Levy to provide personal and financial counselling to people with a gambling problem and their families. Our workers frequently report their frustrations in trying to provide support to people in a regulatory environment that fails to provide adequate protection to their clients. Gamblers Help clients tell our workers that advertising, inducements, player loyalty schemes and non-gaming venue-inducements encourage them to gamble.

In addition, most of our services experience the impacts of gambling problems. We see families break down, individuals in crisis and people unable to afford to eat or to heat their homes because of a gambling problem in the family.

Anglicare's recent research work on gambling includes *House of Cards* (Law 2005), which looked at the impacts on low income Tasmanians who have a gambling problem in the family and *Nothing Left to Lose* (Law 2010), which looked at cases in the Supreme Court where the defendant had a gambling problem. Participants in *House of Cards* told of trying to control their gambling on poker machines but tragically failing.

> *I probably realised [I had a problem] when I would go in and I could say I can afford to lose $20 that's fine but then I would stay and keep waiting to regain what I lost. Then leaving, feeling really bad. It's the light, the music, the jingles, the free drinks, et cetera. It was one day when I put in $100, $ 129, and I thought 'oh no what am I doing?' Why didn't I stop myself?*
>
> (Maureen, poker machine user)
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> Extract from *House of Cards: problem gambling and low income earners in Tasmania*, Anglicare Tasmania, Hobart.

Significantly, half of the cases in *Nothing Left to Lose* involved defendants who had no prior convictions but who committed their first crimes because of gambling problems.

> *The catalyst for your offending was your gambling. You began with having just a social bet … you were feeling pressure at work and became depressed. Your rate of gambling increased. You were using it as a stress reliever … Your gambling spiralled out of control and you began to steal to cover the addiction. The stealing escalated over time. You used significant parts of your income on gambling and additionally borrowed large amounts which were also lost.*
>
> (Supreme Court Judge, Tasmania)
>
> Extract from *Nothing Left to Lose*, Anglicare Tasmania, Hobart

Anglicare is pleased that pre-commitment is being looked at nationally. It is our hope that, along with the introduction of other significant harm minimisation measures such as a $1 bet limit and strengthened codes for the gambling industry, the introduction of a pre-commitment scheme will help reduce the harm caused by gambling.

Gambling in Tasmania

The majority of Tasmanians think that poker machines are a serious social problem (Department of Treasury and Finance 2008, page 53). The majority of people who experience problems with gambling are using poker machines: machines that are designed for high intensity play at a high hourly cost (Productivity Commission 2010, page 11.1). This submission calls on the Tasmanian and Federal parliaments to do all they can to reduce the harm caused by poker machines.

The majority of Tasmanians do not use poker machines. Tasmania's Social and Economic Impact Study (SEIS) reported that only 29% of respondents had gambled on poker machines in the past year; nearly all respondents gambled less than once a month; and 28% of respondents usually gambled for less than 10 minutes (Department of Treasury and Finance 2008). This shows that, despite the amount of attention being paid to the rights of recreational gamblers, the majority of Tasmanians are not spending much time gambling on poker machines. This means that measures can be introduced with the purpose of reducing harm to those with, or at risk of developing, a gambling problem without having a large impact on the broader Tasmanian community.

Anglicare's submission relates the findings of Tasmanian government and non-government research to the design and implementation of a best practice pre-commitment scheme. Gambling problems are a public health issue that should be treated in the same way as other public health issues, with consumer protection at the forefront.

The Productivity Commission's inquiry into gambling

The Productivity Commission's Inquiry Report into Gambling recommended pre-commitment in order to allow a person to determine a limit on their spending. The Commission saw this as being important because people are at risk of developing gambling problems due to a lack of awareness of the cost. The Productivity Commission looked into partial pre-commitment (a voluntary system) and full pre-commitment (compulsory and with limited if any ability to continue spending money beyond the limit). Specific findings of the Productivity Commission's inquiry will be referred to in this submission.

Trials of pre-commitment schemes

Anglicare has studied the coin-based pre-commitment trials in South Australia (Schottler Consulting Pty Ltd 2010) and card-based pre-commitment trials in Queensland (Schottler Consulting Pty Ltd 2008) as well as international experience as listed in the Productivity Commission inquiry. These trials showed there were some clear benefits of pre-commitment such as reduced expenditure and increased awareness of expenditure. We note that both consumers and venues found the pre-commitment systems trialled in South Australia and Queensland easy to use. There were also valuable lessons such as the importance of the design of the system and language used and the fact that people may set their limit higher than they would usually spend so they will not reach the limit. Lessons from these trials will be incorporated into Anglicare's recommended pre-commitment model.

Terms of Reference of the Joint Select Committee on Gambling Reform

a) inquire into and report on:

> **ii) the design and implementation of a best practice pre-commitment scheme – that is uniform across all States and Territories and machines – consistent with the recommendations and findings of the Productivity Commission**

The major goal of a pre-commitment scheme is to allow users of poker machines to exercise

control over their expenditure before they start to gamble. Anglicare's research into gambling problems for people on low incomes in Tasmania found there were a number of factors that caused people to lose control in a gaming venue, including the design of the poker machine, patrons' misunderstanding of how poker machines work, their desperation to get money and the consumption of alcohol.

I get urges where I am going to win, there is no thinking you are going to lose and I overdo it. When I am in a real binge I just keep going and blow all of my pension … My gambling has been out of control, with lots of binges. I want to seek help to control it. I have periods where I can control my finances but there are stages where I get out of control, mainly with the machines.

(Kevin, mixed gambling)

I just try not to go there. With me it is hard because I think it will make me feel better just to go and press those buttons … I just can't seem to fight it. It is harder to fight than alcohol … It is like a ritual. I don't really know why I want to go.

(Anna, mixed gambling)

I would just spend $20 and when I lost that I would say no more. But I didn't, I just kept going and I would lose everything.

(Belinda, poker machines)

I couldn't control the urge to go, the temptation. As soon as I had money in my hand I went off.

(Patricia, poker machines)

Extracts from *House of Cards: problem gambling and low income earners in Tasmania*, Anglicare Tasmania, Hobart.

Anglicare's research paper *House of Cards* found that people tried to control their gambling and this included trying to set their own limit.

[I set a $20 limit] but I always end up spending more. I seldom make any money after spending $20 … When I am more centred I spend less. I do have a mood when I am very sensible and other moods when I am not sensible. I don't know what else there is to try.

(Kathy, poker machines)

ibid.

Some participants needed the help of family to control their gambling. This may be through managing their money and paying bills or through setting a limit at the venue.

Sometimes we will set a limit if we are out together having a drink. [My partner] usually spends that and asks me for more and I give it to him … When we weren't together he used to bet all of his pension. If I am around he will bet less but if I am not around he will bet more.

(Jacky, partner, poker machines)

I allow [my son] to go once a week but usually I am with him and I set him a limit on how much he can spend … I have said to him there is a limit of $20 and that's it … He constantly asks to go and is always asking for more money.

(Carole, mother, poker machines)

ibid.

However for some participants it was only lack of money that brought control.

The strategies of trying to stop haven't worked. I haven't really been able to stop. The only time I have

stopped is when I didn't have any money … I always thought I could stop.
(Ben, mixed gambling)
ibid.

These examples show that people with a gambling problem have great difficulty in controlling their expenditure on poker machines once they start to gamble even though they expressed desire to control their gambling. Anglicare believes that people with a gambling problem are likely to benefit from a pre-commitment system in which they set a limit before they start gambling and are unable to change that limit once they start.

Anglicare's conclusions are supported by research conducted by the Victorian Department of Justice in 2009. One thousand people who used poker machines were surveyed about a range of harm minimisation measures. The study found that the majority of "non-problem gamblers" felt there would be little change in their level of enjoyment, money spent, session length or the frequency with which they would gamble if there was an expenditure limit system in place and they had to wait 24 hours before being able to change the limit (Schottler Consulting Pty Ltd 2009). In contrast, people with a gambling problem felt they would spend less money and time using poker machines and gamble on them less often if this expenditure limit was in place.

Pre-commitment technology in various forms already exists and is in operation in some jurisdictions (Independent Gambling Authority 2005). The Productivity Commission noted that the existing central monitoring systems in Tasmania, Northern Territory and Queensland could be used to provide pre-commitment and that Victoria would soon implement a similar monitoring system (Productivity Commission 2010).

Representatives of the Tasmanian gambling industry have indicated support for pre-commitment:

> 'The industry is more than happy to look at harm minimisation and issues on the Federal agenda at the moment and look at pre-commitment and how we might work down that path with the Julia Gillard-led Government.'
> Steve Old, General Manager, Tasmanian Hospitality Association (Tasmania, House of Assembly, Select Committee on the Gaming Control Amendment Bill 2010 ($1 Bet Limit) 2010, page 9)

and

> 'Pre-commitment deals with the player who may be a problem gambler or who may not. It allows proper constraints to be based on the play and it does not impact on the product. It allows product development to continue to take place.'
> Greg Farrell, The Federal Group (Tasmania, House of Assembly, Select Committee on the Gaming Control Amendment Bill 2010 ($1 Bet Limit) 2010, page 26)

Anglicare recommends that the pre-commitment system be designed for a low level of literacy and numeracy, as poker machines are popular with people who may have lower educational attainment (Department of Treasury and Finance 2008; Productivity Commission 2010).

Anglicare's preferred model for pre-commitment

Taking into consideration our experience with people with gambling problems through Gamblers Help and other services, our research into gambling problems, the Productivity Commission Inquiry into Gambling and reports of the trials in South Australia and

Queensland, Anglicare recommends the following model for pre-commitment.

A card-based system that:

- is universal for all poker machines in all venues in all states and territories;
- is compulsory (termed 'full pre-commitment' by the Productivity Commission)
- is easy to apply for and easy to use;
- is not transferable;
- uses plain English and no jargon (for example, the South Australian trial used the terms 'primary and secondary limits' when it meant daily, weekly or monthly limits);
- cannot have the limit increased within 24 hours (known as the 'cooling off period' but plain English should be used to describe this differently); and
- has binding limits with 'real consequences' so that once a limit is reached the customer cannot continue to spend money (Productivity Commission 2010, page 10.25).

A card-based system that allows the customer to:

- set a maximum limit on expenditure;
- set a maximum amount of time the customer wants to use poker machines;
- set breaks in play at regular intervals and for specified amounts of time;
- receive progress warnings at 50% and 75% of the selected limit;
- personalise their reminder messages, e.g. 'don't forget the kids', 'go home', 'I will not win'; and
- receive player activity statements at the venue (printed) or online.

Anglicare believes that customers would quickly become accustomed to a card-based system, like we have become used to using cards to withdraw money at ATMs, for membership at gyms and pools, and to gain loyalty points when shopping or gambling.

A person who only gambles occasionally could have two options within a card-based pre-commitment system: to apply for the standard pre-commitment card, or to purchase a one-use card with a set amount on it (e.g. $10, $20, $100). Anglicare recommends that identification such as a driver's licence should be required to have one of these one-use cards issued to you and the recipient's details should be entered into a computer system linked across the state so that each person can only purchase one one-use card per day. These cards could be similar to a phone card.

Some of the studies into pre-commitment systems found that many participants never reached their limit because they set the limit higher than they usually or intended to spend. Anglicare therefore recommends that a maximum limit for pre-commitment be introduced. However, this requires further consideration so that the maximum limit has meaning to the individual's circumstances.

Other matters

While considering a pre-commitment scheme, it seems pertinent to consider other improvements to the information provided to users of poker machines such as on-screen warnings about gambling and the Helpline number. We also recommend that the language used on poker machines to express likely wins and losses be modified to make it clear how much money people should expect to lose per hour on a particular machine and betting at particular rates.

Pre-commitment should be one part of a raft of reforms that include reducing the maximum bet limit to $1, reducing the maximum possible loss per hour to $120, increasing lighting inside venues, providing large payouts in cheques rather than cash, reducing the opening hours of venues, increasing forced breaks in play, introducing effective harm minimisation

messages on machines, changing the style of poker machines so they require the person to make an informed decision for each button push and making all regulations for casinos the same as for hotels and clubs. These are key recommendations of the Tasmanian Gaming Commission in their policy response to the SEIS (Tasmanian Gaming Commission 2008) and are also discussed in the Productivity Commission's 2010 Inquiry into Gambling.

Conclusions

Anglicare commends the Australian Parliament on the scope of the Joint Committee on Gambling Reform. Pre-commitment should be an important part of the Government's approach to harm minimisation and we will welcome its introduction and implementation.

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