Brief correspondence/ submission to: Joint Select Committee on Gambling Reform

To the Committee Secretary,

I am writing to express my support for the timely Inquiry into a Pre-commitment Scheme and to propose some broad principles for the implementation of such a scheme.

I have been a gambling researcher based in Melbourne since early 1997, initially at a university and then for eight years as a consultant working for local governments, community organisations and universities. Much of this consultancy work was with 'Borderlands Cooperative' and I was main author of the Borderlands submission to the Productivity Commission (attached). My PhD thesis: *'Developing a framework for the holistic, dynamic, multi-level study of social phenomena, focusing on problematic gambling'* was published as a book: '*Understanding Problem Gambling*…' (VDM Publishing, 2008).

One thing that is very clear from a multitude of research in Australia and overseas is that 'poker machines' or Electronic Gaming Machines, as they are currently designed and supplied, are a fundamentally unsafe product. Many people become hooked on them 'playing' them exactly as they are meant to be played i.e. the product extracts revenue by actually inducing people to have a gambling problem when they did not have one before. (While gambling industries argued against these points for many years, the Productivity Commission has certainly substantiated them). For this reason I applaud the Federal Government and the Joint Select Committee on Gambling Reform in its initiative to render an unsafe product safe. Certainly, with the evidence we have, *current* EGMs should not be freely accessible in the community.

Unfortunately, many hopeful initiatives to address EGM-related problems in Victoria over the years have gone awry. While they have been introduced with great fanfare, the 'devil in the detail' (influenced by industry lobbying) has rendered them, in the main, fairly ineffective. This is one pitfall that I would warn against in relation to the current pre-commitment Inquiry. A pre-commitment scheme may be highly effective or ineffective, depending on its design. Gambling industries are evidently wishing for a pre-commitment scheme that would largely ensure 'Business as Usual'. This is, no doubt, because a substantial proportion of gambling profits come from problematic, uncontrolled gambling. Any reduction in problem gambling will reduce profits in the current scenario - unless, of course, industries reshape their business so that profits do not rely on the generation of harm to individuals, families and communities.

I also believe that we should not rely solely on a pre-commitment scheme to ensure that EGMs are a safe product. We do not allow people to 'choose' to drive cars with faulty brakes or to drive as fast as they like. All cars must have working brakes and people may choose to drive at a a range of speeds, albeit within limits deemed safe. Thus certain parameters of unsafe EGM playing should not be on the menu when

pre-committing. Specifically, a good start in rendering EGMs safer have been provided by the Productivity Commission (2010, p. 11.1):

- Lowering bet limit to one dollar
- Limiting cash input to twenty dollars

As a minimum standard, no machines should have an 'unsafe mode' i.e. 'safe mode' should be the norm and the only accepted standard. (We do not have an 'unsafe mode' for driving our cars).

Below I list guiding operational principles that I believe should underpin an effective pre-commitment scheme.

1. *Universal pre-commitment* - Pre-commitment should apply to all machines - in the trial period in the state/territory jurisdiction, then later to all machines in Australia.
2. *Compulsory pre-commitment* - Pre-commitment should be compulsory for all people gambling on EGMs, within a range of limits.
3. *Compulsory waiting time to change pre-commitment* - Gamblers should have to wait at least 24 hours, and perhaps longer, to change the level of their pre-commitment. (If they can change it without notice, the scheme would be rendered meaningless and ineffective).
4. *Non transferable means to access EGMs* - There should be a non-transferable means or 'key' to access EGMs e.g. using biometric technology/ smart cards. In addition, measures should be put in place so that winnings cannot be claimed while playing with the card or ID of another.

In addition to the above, I support the Productivity Commission's proposed timeline for the development and introduction of such a scheme - especially ongoing research and monitoring so that 'learnings' can be then utilised for improved player safety and regulation.

Finally, I support moves for federal regulation of the EGM industry. As proposed in the attached submission to the Productivity Commission, states and territories have largely failed to uphold the public interest by allowing such a demonstrably dangerous product to proliferate in our communities. Their dependence on gambling revenue has been highly costly for individuals, families and whole communities, as well documented in the research literature.

Thank-you for your attention to the above. Please feel free to contact me regarding any of the points raised.

Sincerely, Dr Jennifer Borrell