Gambling Impact Society (NSW) Inc.
Submission to the Joint Select Committee on Gambling Reform 2011
Pre-Commitment and Harm Minimisation

The Gambling Impact Society (NSW) appreciates the opportunity to be consulted on the current proposed gambling reforms.

Chairperson's Background and the GIS's Underpinning Philosophy

I write this as the chairperson of the Gambling Impact Society (NSW), a university qualified Social Worker of some 30 years practice, a former RGF problem gambling counsellor and current PhD candidate researching problem gambling and public health. I am also a community member affected by the impact of problem gambling in my locality the Shoalhaven LGA a population of 96,000 with significant areas of deprivation, high unemployment and one of the largest Aboriginal populations in NSW. A region that last year spent over 69 million dollars on EGM gambling. I am a consumer stakeholder and as the partner of someone who has now recovered from a gambling problem but who struggled with this from an early age, I have a significant personal interest in poker machine reforms. As a family we have addressed many personal hurdles and as a committed professional I am dedicated to address public concern on this issue.

The Gambling Impact Society (NSW) was established by myself and others over 10 years ago. Having worked on the issue locally for several years prior to this I had become aware of the major gap in prevention services, early intervention and treatment in the field and a lack of voice for those who had been affected. The Gambling Impact Society seeks to address these issues and provide both professional and self-help resources to the community and those working with problem gambling. We provide newsletters, educational resources and a professional website. We also support the work of the 40 or so Problem Gambling Counselling Services across NSW many of whom are our members. We initiated and have hosted Responsible Gambling Awareness Week over the past seven years in NSW and have worked with others to see this established as an awareness raising strategy across the nation

We are a completely voluntary organisation (a Health Promotion Charity) which means that our committee of management, all our projects and resources are developed by those volunteering on top of their existing employment and personal commitments. Other than a small amount from membership fees and variable CDSE grants, we receiving no ongoing funding for our work in health promotion, early intervention or prevention with regards gambling harm. This is mainly because there no forms of government funding to support this kind of work in NSW. We believe this needs to change to recognise the value of the work we do and to encourage other peer led programs to develop.

In addition to our professional and self-help resource development work, we aim to create opportunities to hear and respond to community concerns about gambling and problem gambling and provide a forum for a community response and advocacy on these issues.

Fundamentally we believe problem gambling requires a multi-faceted approach to address what we see as a hidden but major public health issue. We are committed to a Population/Public Health approach to gambling and problem gambling in the community.

In this regard we believe any the proposed pre-commitment strategy needs to be fully considered within this context. We see pre-commitment as a component of a number of strategies which need to be developed into a comprehensive national population health framework to address this problem.

You will see from our NSW 2001 Gaming Machine Act Review submission in 2007 and 2009 PC Inquiry Submission that we are committed to seeing Australia and NSW in particular adopt a public health approach to gambling and gambling harm. Indeed my own PhD studies will be reviewing the extent to which this has been achieved to date (since 1999) by comparison to other jurisdictions such as New Zealand where this has been formally recognised as an evidence based approach to the issue and legislated as such.

The need for Federal Intervention and a Public Health Framework for Problem Gambling.

Australia conducted its first major research at a national level into this field with the 1999 Productivity Commission Inquiry. This recommended a public health approach as a means to fully address gambling harm. However, as demonstrated by the more recent 2010 Productivity Commission's report into gambling, 10 years later we are still struggling to adopt this framework. The Productivity Commission has once again recommends a consumer protection and public health approach to addressing harm from gambling. We fully endorse this recommendation and hope to work with the Federal and State government to achieve this goal.

However, as has been identified in the PC report (2010), we also acknowledge the conflict of interest between State governments collecting substantial revenue from gambling whilst at the same time holding responsibility for reducing its harm. We believe this creates considerable barriers to comprehensively addressing the negative impacts of gambling.

It is therefore extremely encouraging to see at long last direct Federal strategic initiatives on this issue. As stated in our submission to the 2009 PC inquiry, the GIS believes that to fully address problem gambling in the community the

Federal government will be required to mandate the State/Territory governments to develop a fully integrated public health approach to gambling and gambling harm. Models such as those we have already adopted in Australia with regards Drug, Alcohol and Tobacco have significant contributions to make to problem gambling.

We suggest that a full public health approach, requires the active involvement of the various State Health Departments along with leadership from Federal Health and Community Services (such as FAHCSIA) in assisting the development of a Nationally defined and driven, State and Local Health Network delivered, population health model of intervention for gambling.

The recent reforms with regards Federal and State Health would suggest an opportunity for new models in this area and the potential to see the issue of problem gambling fully integrated into the new local health networks and community health/primary health care practices. As consumers we are frustrated that our issues seem to always fall outside the health network and have for 10 years now been asking for this anomaly to be addressed. We believe this is an opportunity for effective change to the governance structures for gambling regulation and harm reduction particularly here in NSW.

A stated in past submissions, we firmly believe that the responsibilities of industry regulation and the development and delivery of services for problem gambling, should be split. In NSW this would be between the Office of Gaming and Racing and NSW Health (and now the local health networks). It is inappropriate to leave harm reduction and harm minimisation policy development and direction in the office with regulatory responsibilities for the industry. A new Federally developed National Harm Reduction Policy on gambling could provide leadership with the States and Territories being responsible for its implementation with accountability beck to Federal government.

Precedents already exist for such a model as is the case will Alcohol where the industry regulations and codes of conduct with regards Responsible Service of Alcohol are the responsibility of the regulatory body, whilst the development of harm reduction policy, research, population health programs, community education and the development of primary and tertiary services is located within Health departments (currently in the process of being devolved to local health networks). Direct services are delivered by a mixture of community health services and NGO's (including peer led NGO's and programs). These work together to provide a comprehensive service of population health and health promotion programs, along with early interventions and treatment for those affected. We believe this would be a more favourable model for gambling both in NSW and other jurisdictions.

Problem Gambling is a health issue which needs to be recognised and treated as such.

Response to the Pre-commitment recommendations

Support for a Universal System of Pre-commitment

There is significant national and international research which indicates the benefit to both the gambling industry and the consumer with regards the introduction of pre-commitment measures through smart technology.

At a consumer protection level the use of smart technology can increase gambling information during a gambling session along with allowing the gambler to place realistic limitations of both time and money committed to gambling prior to using the product. Those systems which I have observed also allow for players to make immediate self exclusions without the necessity of venue staff intervention. Dickerson et al clearly indicated in his (2003) research that the loss of control whilst gambling on an EGM was a common feature of the **majority of gamblers (not just problem gamblers)** and that as such all decisions making about time and money should be made away from the point of action.

I hear the gambling industry at various forums continue to focus upon the "problem gambler" as the only point of reference for interventions. Their belief seems to be that these are "sick" people who already had "problems" before gambling, so all that is required is to identify and "treat" them leaving the rest of the "recreational gamblers" alone. Indeed such an approach "the Reno Model" aims to address those already exhibiting problem gambling behaviour and is focused upon getting them into counselling support. This is not to diminish the value of treatment for those affected but does reflect a somewhat narrow perspective on the concept of "problem gambling". It does little to address the risk factors for populations through prevention or harm reduction and fails to address the needs of other groups negatively affected by the impact of problem gambling – families and communities.

The following statement from Clubs Victoria would appear to illustrate the lack of understanding of this issue by some sectors of the industry:

"The issue of problem gambling should not be the club's issue. We have members who provide support for the club through the use of facilities and the licenced and gaming services of the club. There is little evidence of problem gamblers using clubs yet it seems clubs are required to meet the substantial costs of compliance to meet the so called problem gambling problem". (Clubs Victoria , Submission in Response to Pre-Commitment Consultation Paper, 15 Sept, 2010, P.2)

In contrast a public health approach regards gambling as an inherently "risk taking behaviour" with all stakeholders (governments, industry, communities, families and individuals) having some level of responsibility for addressing the resultant harm.

It has been clearly identified that some gambling products (EGMs) significantly contribute to population harm. These are known risks and as with Alcohol, the issue of addressing “excessive consumption” of these products within a public health model, is taken from a whole of population perspective. The premise being that all persons are at risk of developing a problem with these products. Interventions are therefore focused upon reducing harm by reducing consumption, minimizing harm for those who choose to consume and treating those who develop problems.

As with other public health issues, governments are responsible to support their populations to make health promoting choices and protect those in vulnerable groups from making unhealthy choices along with making sure that populations are not overly exposed to harmful products. This is congruent with sustainable social and economic policy along with Australian social mores and values.

This is not to say that gambling access to gambling should be banned, but that consumers have informational and structural supports to help them make informed decisions and that products are developed to reduce the likelihood of harm. As in the case of Alcohol consumption, strategies include the development and normalisation of the consumption of “light beers”.

The proposal for a universal pre-commitment strategy for EGMs’ would clearly demonstrate a strong component of an emerging public health approach to gambling harm in Australia. This would encourage gambler and venue responsibility, informed choice and as a result treat all EGM gamblers similarly and reduce the ongoing stigmatization of those with gambling problems.

The GIS therefore fully supports a mandatory pre-commitment requirement on all EGM”s across all jurisdictions in Australia.

Drawing upon recent research, Dr Robert Williams from Canada, a leading international academic researcher in problem gambling (and a keynote speaker at the National Association of Gambling Studies Conference in December), recently recommended eight (8) key attributes for the design of an effective pre-commitment system (see attached paper).

These key attributes are:

1. Pre-commitment should be available on all EGMs jurisdiction-wide.

2. Pre-commitment is best applied across all forms of gambling.

3. Pre-commitment will be much more effective if it is mandatory.

4. Pre-commitment should offer a range of limit types, values and durations.

5. Pre-commitment parameters should not be exceedable or revocable.

6. A biometric identification system is needed.

7. Central storage of pre-commitment information is less preferable to storage on the player's pre-commitment interface device.

8. Loyalty/reward cards should not be used for the purposes of pre-commitment.

Studies where smart technology has been trialed (Nova Scotia, South Australia, Queensland) have indicated major contributions to addressing problem gambling and increasing consumer protection. We firmly believe this is the equivalent of a "seat belts and air bags" approach to a clearly identifiable consumer safety issue with these gambling products.

As to monetary amount limits for pre-commitment – we believe this should at the discretion of the consumer, but with a default setting, which the consumer would need to actively change if wanting to set their own amount. The amount of the default setting limit could be equivalent to the average ""recreational players" spend per day –or what the PC report 2010 considered were within the parameters of a "safe gambling" mode.

Given the speed and rate of play along with computer technology both now and in the future we believe the introduction of smart technology for all EGM gambling would normalise their use and create a basic safety mechanism for all gamblers no matter what bet size.

However, we are also aware that regular gamblers have indicated to us that the reduction of the maximum bet to $1 as recommended by the Productivity Commission 2010 would strengthen harm reduction measures and indeed be more valuable to them than if a **voluntary** pre-commitment system was introduced alone (see attached copy of email from consumer).

Loyalty or no loyalty link;

The GIS understands that the gambling industry is keen to have any pre-commitment schemes linked to venue loyalty schemes. Indeed we understand the pre-commitment trials in Qld and SA used smart card technology in this manner. We recognise that this would provide opportunities to build upon existing player tracking and enhance responsible gamble practices by creating the opportunity to identify and intervene with those customers who may be exhibiting problem behaviour. This is currently available in Casino settings within New Zealand and is proactively used to inform staff on how to address problem gambling behaviour in the venue. It allows customers to receive interventions at

an early point the development of a problem and enhances customer service and host responsibility on the part of the venue. It also provides data about risk taking behaviour which would be useful to research if a shared with academic research institutions.

However, we are aware that there are some reservations in the community, academic and gambling counselling service sectors that such schemes would create opportunities for the industry to use the data detrimentally for consumers. This could lead to an increase in targeted marketing and promotion of gambling services and products to more gamblers than at present. We are also aware that the community may have some concern at the concept of increased "tracking" of behaviour. If this led to a lowering of full participation in a pre-commitment scheme this would ultimately undermine its effectiveness.

The GIS therefore believes that the benefits of a universal system (all EGM gamblers, at all times) which allows the individual to use a device independent from the venue loyalty schemes and with the personal data held by the consumer as the most effective means of creating both a secure and confidential pre-commitment scheme. We understand that such technology exists whereby the customer can be identified by the machine through bio-metric identification which then to enables their personal preferences for that sessions gambling to be honoured but allows the customer to hold the personal record of behaviour.

If such data was viewed as valuable to research, as with other forms of human research, it could be made available through personal "opt in" choice and participation at the consumers behest and not via a third party.

Other Harm Minimisation Measures

Changes to machines– There are some game design features such as free spins, near misses and what are termed "losses disguised as wins" that have been clearly linked with problem gambling behavior (refer presentation by Professor Kevin Harrigan RAGW Seminar 2010: Losses disguised as Wins, at www.gisnsw.org.au). We therefore recommend the banning of these features in product design and believe the technological parameters set for gaming machines design require changing to ensure aspects of "safer play".

The complexity of gambling on an EGM and the focus of consumer protection policy to date mainly on creating "responsible" informed players has created an imbalance. EGM technology has grown beyond the comprehension of the individual. Speed of play and multiple line betting is a good example of where individuals lose control and conscious awareness of amounts bet, amounts in credit, amounts lost and won etc. Keeping track of this is well beyond the normal comprehension of the average player and as such there is a significant lack of a possibility of truly informed consent which underpins the assumptions of current "Responsible Gambling" policy.

A ban on multiple lines betting in conjunction with smart technology for all' "play" has the potential to redress this imbalance, increase consumer information, reduce problem gambling behavior and increase the likelihood of informed responsible gambling behavior. We also support delay between spins.

Note taking has also been clearly indentified with problem gambling with problem gamblers more frequently using $50 note BNA machines etc. BNA's are clearly linked to excessive amount being lodged in one gambling session. The uniform use of smartcards/smart technology for all bets could mean cashless betting and note acceptors no longer required.

The Gaming Technologies Association (GTA) regularly states that EGM's are "just a form of entertainment". However, we do not believe the ability to gamble over $1,200 an hour (as stated in the PC 2010) is tenable with this statement. Nor that the current offers of linked jackpot prizes and individual machine prizes of over 10,000 are justifiable incentives to "play" in a recreational manner.

We therefore suggest that if there is to be any congruence with the GTA statement of EGM's being a leisure product the payout prize should be substantially reduced to equate with others forms of easily accessible leisure activities (as is the case with community EGM's in the UK). Particularly as unlike other leisure activities e.g. buying a Cinema ticket, the EGM contract is not fixed at the point of sale. The actual real costs of "playing" remain unknown to the consumer until the end of "play".

We therefore suggest a significant reduction of a maximum payout prize (at an amount to be determined, but say $200) and suggest this be applied as the top prize on all individual EGM's and that linked jackpots be banned.

ATM's in Venues

The 2002 KPGM study of ATMs' in gambling venues clearly indicated that the largest users of ATM's in venues are those gambling problematically. This has been further validated by consumers reporting to ourselves (over 10 years) that they believe that the withdrawal of ATMs from the venues would significantly reduce their gambling expenditure and excessive gambling behaviour.

The PC report 2010 recommended a limit per day of $250 on ATM withdrawals in gambling venues. However the actual implementation of this within the PC report 2010 is left somewhat ambiguous. The current gambling reform proposals recommend a daily limit of **$250 per card per day** (the average person carries 2.6 cards according to the PC report 21010) therefore in practice the daily limit increases to over $500. We believe this is still a significant amount of daily money to be potentially lost to gambling.

We have regularly requested on behalf of those with gambling problems that ATMs be removed from all gambling Venues. Whilst is claimed by the industry that this would inconvenience those without problems we are aware that Eftpos facilities are available in venues and that the interaction with another human does have some deterrence to excessive expenditure on gambling. Most consumers are able purchase products, meals and drinks by Eftops facilities these days. We therefore find little support for the inconvenience argument.

There have also been concerns raised by the industry that removal of ATM's would negatively effect those in rural areas. However, as an example the Shoalhaven, a rural area with 49 small town and villages, has a variety ATM facility in locations other then Clubs/Hotels. Often these are in supermarkets, outside post offices and within petrol stations. We therefore find little support for the rural disadvantage argument.

The Need for Gambling Health Promotion

Problem gambling as a health issue needs to be considered within the National Framework for Health Promotion. This currently addresses areas of other public health concern, Obesity, Nutrition, Mental Health, Tobacco use and Cardio Vascular disease.

Despite at its extreme level (pathological gambling) gambling disorders have failed to get recognition by health services for appropriate public health campaigns or health promotion strategies. It is not regarded as "core health business" and without this consumers remain disadvantaged. Although there have been some developments in Victoria with regard the primary care partnership program, and in Tasmania, very few jurisdictions include gambling within their health promotion strategic plans. Certainly this is the case in NSW.

As stated, gambling and problem gambling requires a comprehensive public health approach and as such requires full integration into health service and health promotion programs.

Support for Individuals, Families and Communities

Current counselling treatment services have limited reach to those gambling problematically (10 -15%) and within this even further limits to family members (only 16% of those presenting for treatment). It has been acknowledged that PG counsellors have limited skills in family therapy work (McDonnell-Phillips, 2008). The GIS believes there needs to be more inclusive models for families in existing treatment services and counsellors require training in this regards. An increased

diversity of skills and professional background of staff would also facilitate this process. It also needs to be recognised that many people will never seek counselling support but that does not mean that they remain unsupported.

Research into help seeking behaviour by those gambling problematically (Neilsen 2007, Mansley et al, 2004) has indicated that family members are often the first line of support for those struggling with a gambling problem. However, they are not formally identified under National or State "Carer Programs" despite the fact they often perform similar roles of support, including:

- Many are the first line of support on financial matters
- Provide emotional support to those affected including person who gambles, nuclear and extended family
- Often are the primary source of information for others on the impact of PG on the family
- Often tend to be the primary researchers about the disorder and seek assistance earlier than the person who is gambling
- Take on additional roles and family responsibilities in the face of the "disability" of the person who gambles
- Seek additional financial resources (work/benefits) in order to maintain household and family.
- Often take on the long term financial management of the household

Considering the reported effects of problem gambling on family members there are very few targeted family treatment programs available and even fewer reported in the literature. Of those studies reviewed by Kalischuk in 2006, most focused only on the spouse and were limited interventions.

Comments from family members (McMillen, 2004) have indicated that they often feel unsupported in their "carers" role:

"If you have a problem you don't want to spend all your energy finding help. It has to be easy"

"I would like to see somewhere that families could go for help."

"I wanted to know what was going on in my husband's head. It somehow didn't make sense if I wasn't allowed to join the (counselling) sessions. It was his problem but I was affected."

"Help organisations operate in their own little worlds – they won't tell you about anyone else. I was treated like an outsider. They took no notice of me as a sister. My brother was perceived as 'their Client'. His rights were considered paramount. Protecting my brother was their only priority. The supporting family was not addressed. My brother was isolated from the family.

We as family were not treated as interested persons. They rarely made contact with us."

"The people I rang weren't helpful at all. It was frustrating and used a lot of energy. I wish he had a drug problem- then I would have found help."

"I called (the local PG counselling service) to seek help on how to deal with my husband'' problem. They weren't very helpful. They didn't refer me to anybody and advised that they can only do something if my husband is willing to take counselling."

"I called (the local PG counselling service). They told me they can't do anything, he has to first hit rock bottom before they can do something – they basically told me to leave him…"

"I think there should be more advertising out there to tell families where to find help. This is really missing."

However this further comment indicates the benefits of recognition and support:

"I have found support with Carers Australia. I meet with them every three months. It helps to talk the problem over. I have been offered support groups by Carers. It feels good to support my brother. It is energising."

Family members need to be resourced with information, education and skills to help them help their family member along with appropriate counselling and other support services to assist them in their own right.

It is our recommendation that the National and State Carer programs fully recognise those caring for someone affected by problem gambling (as is the case with mental health, drug and alcohol use) and include them in their strategies.

Research also indicates that those affected want to talk with others who have also been affected (peers). Such research suggests that strengthening peer led programs and agencies would be beneficial to both family members and the gambler along with opportunities for self- help. Consumer reports to the GIS indicate that those impacted by problem gambling "inviduals, families and communities" often feel more comfortable talking with those who have ""walked the walk".

Programs such as the Victorian Peer Connect program have demonstrated the benefits of peers supporting those also receiving professional PG counselling. There are other models within other sectors of health such as Mental Health and Alzheimer's disease where peer led programs have proved successful.

Consumer voice programs have also proven successful in both Victoria and South Australia in using consumers (gamblers and family members) as community educators. This has demonstrated success in other areas of health. It is a model which lends itself readily to problem gambling education in the community and one which, for instance, the GIS would be well placed to develop and deliver if sufficiently resourced.

Financial Support

An increased diversity of community capacity building, health promotion, early intervention, primary and tertiary support programs on this issue requires a commitment to developing a broader model of support services than currently available. This would require a different funding model to support it. Our submission to the 2009 PC Inquiry recommended a model of funding similar to New Zealand where all forms of gambling are required to contribute to a pool of funds based upon a formula linked to varying levels of product harm. We believe this to be an equitable arrangement and one which lends itself to funding a new model of public health and gambling in Australia. These funds would then be made available to fund, research and appropriate population health programs and health services in collaboration with the Health and NGO's sectors.

Final Comments from NSW Consumers

Consumers have raised with us that finding an EGM on every street corner has been a major growth of an unsafe product into the community, unchecked and substantially un-scrutinized compared to other rigorous testing for potentially harmful products.

Consumers understand that when they enter a Casino they are there to gamble - an activity with associated risks. However when they enter their local club/hotel the industry effectively tells them "playing" a pokie is just a "leisure activity" and "everyone's a winner". If as a community we seek truth in sentencing and truth in other areas of advertising where is the truth in this?

The GIS believe that the widespread use of the terms "Gaming" and "Play" by the industry and governments alike seeks to create an illusion of EGM gambling as harmless fun which clearly the use of EGM's can be anything other than harmless. True gambling information requires a community to be fully informed of

the risks of gambling on an EGM and fully understand that their use is a gambling activity.

NSW consumers have indicated that the introduction of EGMs into the community ostensibly under the banner of entertainment has effectively hoodwinked the community into a sense of complacency with what is essentially an ever refined and potentially harmful product. Each year our governments spend billions educating our communities about the harmful effects of tobacco, drugs and alcohol yet in NSW the last G-line community announcements on TV were over seven years ago.

The 1999 Productivity Commission found that the prevalence of problem gambling was greater than illicit drug. The level of public harm from gambling was further validated by the PC report 2010 but by comparison with products of "dangerous consumption" such as tobacco, drug and alcohol use, where are the public health messages on gambling?

The GIS considers the Federal government has a major leadership role to take on this issue and we are happy to continue this dialogue.

Kate Roberts
Chairperson
21/1/11

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