Joint Select Committee on Gambling Reform- Inquiry into pre-commitments scheme: Lifeline Australia Response

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1. Lifeline Australia Response

Lifeline Australia welcomes the opportunity to provide a response to the Inquiry into pre-commitments scheme being undertaken by the Joint Select Committee on Gambling Reform. Lifeline's knowledge and background in this area comes from many years experience in providing face to face gambling counselling services and financial counselling at a number of Lifeline Centres throughout the country as well as running community education/information sessions, attending community events and participating in interagency meetings. In the previous 12 months in two service areas alone, Lifeline delivered over 700 face to face gambling sessions as well as 25 support group sessions with over 200 participants in one of those service areas. Lifeline also receives calls about gambling concerns through our 13 11 14 crisis support line.

Some Lifeline Centres involved in supporting those with gambling addictions work with new clients to ascertain their personal objective in seeking support (whether they would like the end result to be complete abstinence or a reduction in their gambling). Anecdotally, one Centre location estimates that approximately 80% of clients want to stop gambling completely.

As a national organisation, Lifeline delivers services from more than 60 locations in Australia, in every state/territory and in many regional/rural areas. This distributed service network means that Lifeline connects tangibly in communities throughout Australia. Lifeline specialises in flexible, accessible and innovative approaches to service provision.

Whilst acknowledging that as stated in the Productivity Commission's report, there is no consensus about the best ways to deliver or the exact features of pre-commitment, Lifeline Australia believes that the proposed pre-commitments scheme has the potential to be a positive step in problem gambling harm minimisation. In response to this Inquiry, we would like to highlight a number of key points and put forward some recommendations for consideration, based on our experience in problem gambling.

2. Strengths

It is paramount that problem gamblers and those at risk are assisted in setting appropriate goals or limits and gaining awareness of their level of gambling. A pre-commitments scheme appropriately delivered can prevent gamblers from falling into the 'chasing the losses' spiral that can lead to high losses and greater financial difficulties.

Pre-commitment can be less threatening than self-exclusion programs that may be embarrassing and time consuming for some individuals. However, it is important to note that because contributing factors to problem gambling are so varied and individualised, different systems will work for different people. Self-exclusion and pre-commitment systems will not necessarily appeal to all problem gamblers; however they have the potential to work for those who are seeking or open to support when they are appropriately implemented and monitored. The two systems used jointly should complement each other in providing multiple options for problem gamblers.

It is also essential to recognise that contributing factors for some problem gamblers, such as family break down, financial difficulties, grief or domestic violence, will not be solved or addressed by a pre-commitments scheme. Often gambling is seen as a functional measure – 'time out' from these issues, and appropriate resources and programs need to be in place to support individuals in addressing these factors. The use of a pre-commitments scheme may however, assist individuals in recognising that they have a gambling problem and encourage them to seek help.

3. Concerns

There are a number of concerns that Lifeline Australia believes need to be addressed prior to the implementation of a pre-commitments scheme.

There is a risk that when a player is asked to pre-set a spending limit they will set higher limits 'just in case'. This action may result in greater expenditure than what would occur if no limit was set. The limit amount may be seen as one lump sum that can be completely spent, for example 'all or nothing'. Players may also start with lower limits but progress to larger limits outside of their means.

There are concerns around the privacy for all players including non-problem gamblers. Lifeline Australia supports the use of a pre-commitments scheme that does not make players' information or gaming patterns available for marketing purposes. The use of information to target players with individualised marketing with the aim of increasing gambling activity would counteract the positive gambling constraint facilitated through pre-commitment. Players should not be encouraged to continue gambling through the use of loyalty points or benefits. Pre-commitment must be appropriately implemented and monitored to ensure that individuals' limits are not used inappropriately such as divulging how much a person is willing to spend, and therefore lose.

The use of identification or access cards for all players as part of a full pre-commitments scheme will be time consuming and unnecessary for recreational gamblers or those wanting to participate in casual gambling with small amounts of money.

There is a risk that if the pre-commitment mechanisms are not user friendly, that players may simply transfer their gambling to other forms, leading to a shift in the problem rather than a solution.

Whilst a pre-commitments scheme must balance the need to maintain individual choice and personal responsibility, we must also recognise that those most in need of support are likely to be those who will opt out of voluntary pre-commitment. In addition, it is likely that a player who opts out of a previously set limit has lost a large sum of money that they 'must get back' through ongoing gambling. The ability to opt out or ignore pre-commitments through partial or voluntary schemes is likely to minimise benefits for problem gamblers.

There is a concern that the investment required for a pre-commitments scheme will divert resources away from ongoing research to identify more effective methods of addressing problem gambling, or from other areas of concern such as online gambling. It is essential that ongoing evaluation, research and provision of resources outside of the pre-commitments scheme continue.

A major concern is the likelihood of problem gamblers finding a way to beat the system through a ‘black market’ of pre-commitment cards – being sold or given away or access codes shared, leading to increased legal and personal risks for individuals. A number of security measures were discussed in the Productivity Commission report which should be evaluated as to their feasibility and ease of use to counter this risk.

4. Clarification Required

There are a number of points that Lifeline believes require clarification prior to the implementation of a pre-commitments scheme.

The investment required to implement a pre-commitments scheme would be large and will also lead to a reduction in revenue for gaming venues. Smaller venues may not be able to carry the costs required, leading to a greater monopoly by a smaller number of leasing companies. Who will be responsible for funding the pre-commitments scheme and potentially subsidising loss of revenue for venues needs to be explored and established before a pre-commitments scheme is trialled or implemented.

Pre-commitment must be clearly defined. For example, establishing whether pre-commitment exists for one venue, one gambling session or a certain time period. Also, whether a player is able to reach a limit on one machine or in one venue and then re-start on another machine or in a different venue. These limits must be clearly communicated to participants and if multiple options are made available, they must be easy to understand and select.

Another clarification required is whether support will be provided to assist players in assessing how much they can afford to spend, whether to reduce their limit at a later stage or to set ‘no limits’. Also, whether there will be someone allocated to oversee and monitor such decisions. Considerations such as whether venue staff will be notified once a player has reached their limit and what involvement they have with that player need to be defined (for example, speaking to them, escorting them off the premises etc). In line with this, staff members at gaming venues would need to be provided with appropriate training, support and remuneration to interact with problem gamblers ethically and appropriately.

Consideration must also be given to the differences in issues and situations facing problem gamblers, as well as gambling patterns in rural and metropolitan areas which may have an impact on the success of a pre-commitments scheme. A ‘one size fits all’ approach may not be as successful as an approach tailored to various communities.

5. Recommendations

Lifeline Australia acknowledges that while pre-commitment may be a valuable component in addressing problem gambling, there are other tools that would complement the scheme, a number of which were highlighted in the Productivity Commission’s recommendations.

These include;

- appropriate signage and messaging in venues;

- well trained industry staff to assist in identifying problematic gambling behaviour and undertake appropriate intervention steps;
- school financial literacy programs;
- clear information on odds and chance within gaming areas, and;
- well resourced gambling help services.

Lifeline feels that it is essential that counselling/support for both players and their partners, family and friends should be readily available along side the pre-commitments scheme.

A carefully crafted, sequential marketing campaign should be implemented to promote participation in the scheme. Public education is encouraged to support players in recognising potential problems in their gambling; that it is ok to seek help and to facilitate community support for those affected by problem gambling.

It is important to recognise an individual's levels of control may already be lowered upon entering a venue which combined with any difficulties they may encounter in setting pre-commitment limits may encourage them to opt out of voluntary systems or find ways to 'beat the system'. An effective pre-commitments system must be clear and easy to use for players, for example the use of easy to understand limit types. An appropriate system for information collection, storage and use should be implemented including the exclusion of information for marketing purposes. It may be beneficial for players to be able to access their gambling history in a consumer friendly format to assist in the identification of problematic gambling behaviours.

Research and clinical ventures to identify and implement other effective intervention approaches should continue in recognition that one system will not address all the issues for all problem gamblers. Additional strategies should include limiting the maximum allowable bet, removing ATM's from gaming areas and limiting or removing note feeders from gaming machines.

The use of appropriate security measures should be included to prevent fraudulent use of identification or access cards and that these measures take into account the need for user-friendly mechanisms to encourage participation. It is also recommended that pre-commitment functionality be implemented as new machines replace old ones, rather than converting current machines.

In agreement with the Productivity Commission report, Lifeline feels that the trial and evaluation of partial pre-commitment needs to be undertaken prior to full implementation to ensure that pre-commitment is effective in assisting players to control their gambling expenditure, and to examine whether it is a viable, cost-effective method of intervention.

6. Conclusion

Lifeline Australia acknowledges the potential positive role an appropriately implemented and monitored pre-commitments scheme may play within gambling reform. It is essential that the scheme be thoroughly planned prior to implementation, addressing the concerns and points for clarification within this paper. Ongoing discussions should be held both during, and following the completion of a pre-commitments trial to maximise the benefits from the scheme. Lifeline believes that equal importance must be placed not only on addressing the symptoms of problem gambling but on the causes as well. The implementation of harm minimisation programs such as the pre-commitments scheme must be undertaken with an understanding that gambling is often driven by needs and issues other than simply the act of gambling itself. Lifeline has clear visibility of some of the causes of gambling addiction from our experience in service provision, and our gambling support services are an example of the holistic approach that should accompany harm minimisation programs in order to address the complex needs of problem gamblers.