Committee Secretary
Joint Select Committee on Gambling Reform
PO Box 6100
Parliament House
Canberra ACT 2600

Inquiry into pre-commitment schemes

1. Introduction

I wish to thank the committee for the opportunity to make a submission to the current inquiry into pre-commitment schemes.

In my capacity as a gambling counsellor, I have witnessed and helped people who have been affected by the worst of gambling. I have worked with suicidal clients, clients who have committed fraud to supplement their gambling, family members who have borne the brunt of their loved one's gambling and other issues that are associated with problematic gambling.

Taking this into account, I hold reservations about the Productivity Commission's recommendations for a full pre-commitment scheme and its effectiveness, either for regular gamblers or problem gamblers. This includes the Federal Government's desire to implement this scheme without proper examination for its adoption. Based on my concerns it is my belief that neither a full or partial scheme should be introduced. This submission is to raise the concerns that I have and hopefully contribute towards responsible decision-making by the Government.

2. Politically Expedient

The Federal Government has put priority to one out of a range of recommendations that have come from the Productivity Commission's report. Yet, within Chapter 10 of the Productivity Commission's report, there are recommendations on how to strengthen the current pre-commitment (self-exclusion) practices. In fact the Productivity Commission dedicated 10 out of 45 pages in this chapter on how this should be done before the introduction of a full pre-commitment scheme.[1] I acknowledge that the proposed scheme speculates that by implementing full pre-commitment more prescriptive legislation that is currently in place could be "relaxed or removed".[2]

There is also the issue that this scheme and its implementation is being negatively communicated to stake holders. In a public meeting in Narrabri which I attended in December last year, Mr Andrew Wilkie made comments to the effect that a full pre-commitment scheme was going to be implemented. He then asked the club industry is to work with the Government to implement the scheme.

[1] Productivity Commission Report into Gambling 2010 p10.13
[2] PC Report p10.43

Concern:

Out of the range of recommendations that the Productivity Commission has suggested, it is unclear why this scheme is the first to be implemented. This is also going against the Commission's recommendation that self-exclusion be strengthened before the introduction of pre-commitment. Statements being made by Parliamentarian's in public forums bring into question the validity of our parliamentary process, including this very inquiry. These statements make it difficult to facilitate working cooperatively with all stake holders. It is therefore difficult to view this process as anything other than politically expedient.

Cost

The Productivity Commission have argued other jurisdictions have implemented full pre-commitment schemes. They highlighted the fact that both Nova Scotia (Canada) and Norway have both implemented full pre-commitment schemes. The Productivity Commission does not mention the cost to these jurisdictions for implementing the system. The Commission expresses a view that full pre-commitment would "ultimately be cost effective".[3] There is a recommendation that venues with less then ten machines will be initially exempt from having to install the technology required to conduct the scheme.

Concern:

In the two overseas jurisdictions that the Productivity Commission mentioned, the companies that own the EGM's are both government owned corporations. Within Australia this is not the case and in some jurisdictions the majority of machines are owned by not-for-profit clubs owned by the members, typically the residents of their local community. This scheme will require the venues to cover the installation costs of the machines. This also extends to smaller venues as the Productivity Commission has only recommended a temporary reprieve until 2018. The Productivity Commission stated that all jurisdictions are to insure all EGM is connected to a central monitoring system. By introducing this scheme, the Federal Government will be responsible for meeting very little of the costs, while the industry and state governments cover the majority of the costs.

Effect on Regular Players

The Productivity Commission noted that although full pre-commitment "would clearly help many problem gamblers, its target is primarily regular players." It quoted two participants that made submissions to their inquiry to enforce this view point, the Gambling Impact Society and Duty of Care. The quotes were expressing opinions from these organisation's on the positive impacts that full pre-commitment will have on the whole community. Both of these

[3] PC Report p10.43

organisations have been started by people who have been adversely affected by gambling and their membership bases are extremely small. The Gambling Impact Society has a history of negatively commenting in the public arena. These comments have been targeted towards the industry, the government and the problem gambling counselling sector's ability to address the needs of problem gamblers. Indeed, these organisations exist to raise the issues of problem gamblers and their families, not to represent the general population around gambling issues. At best, their opinions about what is good for the whole community could be seen as biased. Taking into account their small membership, it is also based on a minority view of those who have experienced negative impacts of gambling.

Compare this to the evidence-based trials that have been initiated in Queensland. The Queensland Government in October 2010 introduced a partial pre-commitment scheme. The scheme allows for voluntary venue and patron participation.[4] The scheme was introduced after trials were conducted in different venues in Queensland. In 2008-2009, the scheme was trialled in two venues and being venue-based, and operated the participants (both venue and patrons) found it useful and easy. After the trial the players were asked their views on the harm-minimisation benefits of pre-commitment. Out of the 22, 9 stated that "[it] hasn't really changed my play/No effect reported." One player stated that it "has increased their playing time, not decreased it."[5]

Concern:

After extensive trials the Queensland Government opted for a voluntary card based pre-commitment scheme. This was after the Productivity Commission report was released. The Federal Government is pushing for a full system. The Queensland Government's introduction of the scheme came after trials, consultations with stake holders and research into the effectiveness of the scheme. The Productivity Commission's conclusion of a benefit to the general population of a full pre-commitment scheme is based on biased and minority views.

Risk of Harm to Significant Others

The Product Commission's report recommends that third-party exclusion be reviewed as a way of addressing the negative impacts on families of problem gamblers and as a means of overcoming some of the draw-backs of self-exclusion. The report quotes results from a Macquarie University study that showed that self-exclusion, once entered, has had positive effect on relationships. In 2001 the NSW Government released a policy framework outlining the impact of gambling on families. This included domestic violence, child abuse or neglect, family breakdown and that "[f]amilies of problem

---

[4] Mandatory responsible gambling training for staff
http://www.cabinet.qld.gov.au/mms/StatementDisplaySingle.aspx?id=71822

[5] http://www.olgr.qld.gov.au/resources/responsibleGamblingDocuments/SchottlerConsultingReportintoCBGtrialSandgateRSLExcludingExemptMatter.pdf p22

gamblers are more likely to experience problems similar to that of domestic violence victims."[6]

Concern:

The impact of problem gambling goes beyond financial loss with negative effect generated for different reasons. In my clients experiences, these can include frustrated attempts to gamble, not being able to gamble enough or as often as desired. I believe that the Productivity Commission's recommendations have not taken into account the potential for increasing, not reducing the harm toward significant others.

Other Forms of Gambling

The Productivity Commission states pre-commitment "is not a silver bullet"[7], but there is the assertion that both regular and problem gamblers will continue to gamble at venues with EGM's. The implication is that play would be monitored, that limits would be kept and problematic gambling may be identified or even progression to *at-risk or problem gambling* will be stalled. The report asserts that problematic gambling will be stemmed or reversed.

Concern:

In 2007, Norway removed all of the slot machines from that country. Research was conducted twelve months later to assess the gambling behaviour of the population. The research concluded that the level of problem gambling behaviour between 2007 and 2008 across the population did not change. It was found that people with gambling problems just changed the form of gambling. The most accessed form of gambling by this Norwegian problem gambling population had become Internet gambling.[8] I predict a similar result for Australia in the even full pre-commitment is introduced. Problematic gamblers will find the easiest form of gambling to meet their needs. This includes internet gambling, both legal and illegal.

Conclusion

The Productivity Commission's full pre-commitment scheme proposed by the Federal Government is ill conceived. The scheme is politically expedient for the Government and recommendations to strengthen current legislation have been ignored in preference of introducing full pre-commitment. The cost of implementation is to be borne by the industry, including small not-for-profit clubs that exist for their members. This has the potential for limiting the services available to their members and the wider community. The Productivity Commission's report states the scheme is primarily aimed at regular

---

[6] http://www.olgr.nsw.gov.au/pdfs/prob_gmblrs_policy_framework.pdf p4
[7] PC Report p10.44
[8] Gambling and problem gambling in Norway 2008 p3

gamblers with a secondary gain of impacting problem gamblers. The evidence used by the Productivity Commission, to enforce the effect on the general population, was from two organisations that represent the worst affected by gambling, not the general population. The Productivity Commission claims that by implementing this scheme, there may be the ability to revoke legislated harm minimisation strategies that are having a positive affect. This is in light of this scheme being aimed at regular gamblers. Queensland has conducted trials and research and has decided that a voluntary pre-commitment scheme is to be implemented. The impact on significant others has been ignored by the Commission's recommendations. Finally, research shows that problematic gamblers will find other forms of gambling.

If the Select Joint Committee on Gambling perceives the need to recommend a pre-commitment scheme, it should be in consideration of the trials and research that already exist. Therefore, learning from the measured and methodical experience of Queensland it should be a partial pre-commitment scheme. It would allow the venues the opportunity to implement the technology as they can afford it and allow all stake holders to work together. This would allow regular gamblers to continue to enjoy this form of entertainment and address the needs of gamblers whose behaviour has become problematic.

However, I can not determine any benefit to a full or partial scheme. It is unclear whether this is a harm-minimisation strategy or to assist ordinary players to regulate their play. As a harm-minimisation scheme to assist problem gamblers it will not have the desired effect as they will find easier forms of gambling. As a tool to help ordinary players regulate their play it is an expensive exercise to assist the general population do what they are already able to do. If the desire is to assist all of the above it is not so much a "silver bullet", but more of a shot gun pallet designed to affect all players and no real evidence that it will be effective. The cost of implementing such a scheme could be channelled to more effective programs to assist problematic gamblers and their families.

Regards,

Lincoln Poole
Problem Gambling Counsellor