

On-Line Gambling and Harm Reduction Policies

Rod Pitcher

Inquiry into Online gambling and its impacts on problem gamblers
Standing Committee on Social Policy and Legal Affairs (House)

This paper argues for the formulation of gambling harm reduction policies and programmes and that it be properly placed in any evaluation of future options related to harm reduction, particularly as they apply to the use of on-line and gambling machines by people who already have gambling problems.

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Abstract:

This paper argues for the formulation of gambling harm reduction policies and programmes and that they be properly placed in any evaluation of future options related to harm reduction, particularly as they apply to the use of on-line and gambling machines by people who already have gambling problems.

Introduction

It is argued in this paper that gambling fits within the various areas of concern of the Inquiry and it further provides information to assist the Inquiry in formulating plans for future action.

The results of the 2019 ACT Gambling Survey (Paterson, Leslie, and Taylor. (2019)) indicate the deleterious effects that gambling has on the residents of the ACT. The results of the survey are serious and convincing evidence of the need for future harm reduction policies and programmes to combat the harmful effects of gambling.

Further papers reporting research into gambling and its harmful effects support the evidence of the survey and the aims of this submission.

These deleterious effect on the people of the ACT can be usefully extrapolated and taken as broadly applicable to the rest of Australia, where it is argued that gambling causes harmful effects on the health and wellbeing of the people of Australia.

Gambling in the ACT

The 2019 ACT Gambling Survey (Paterson, Leslie, and Taylor. (2019)) shows that over 60% of ACT residents gambled at least once in the previous year, making a total figure of approximately 200,000 people. One in five residents of the ACT, 19.7% of the population, used electronic gaming machines (EGMs) and on-line gambling.

It was found that the majority of gamblers participate in a variety of types of gambling. Due to this factor, it is not easy to decide which types of gambling cause the most problems for gamblers. However, there is a strong association between high risk level and casino games and EGMs. There is also an interesting relationship between the time using EGMs and on-line gambling and problem gambling. The more time spent on the machines the higher the risk.

It was found that approximately 33% of the ACT's adult population (105,000 people) are low-frequency gamblers and 27% (87,000 people) are medium- or high-frequency gamblers.

The survey showed that 9.6% of the ACT adult population (approximately 31,000 people) suffered significant gambling harm in the previous year, and 15.8% reported some harm in the previous year. The most common forms of harm were the reduction in available spending money and loss of savings.

The survey found that 5.3% of the ACT adult population (approximately 17,000 people) had suffered due to someone else's gambling problem. When this figure is added to those who had been affected by their own gambling, it shows that 14.9% (44,000 people) in the ACT had been adversely affected by gambling over the previous year.

The survey showed a community (14% of ACT residents) that is experiencing a substantial level of harm from gambling. It should be noted that as people's lives are affected by gambling the level of psychological distress increases and quality of those lives decreases. These findings indicate the need for actions and policies designed to reduce the harm resulting from gambling in the ACT and Australia.

It is known that problem gamblers are less likely to seek help with their problems. The low level of seeking help indicates the need for further promotion of the available resources.

Surveys of the ACT population have shown a consistently negative view of gambling and its deleterious effects on the community. More than three-quarters of the ACT population have expressed the opinion that gambling, of any form, does more harm than good.

The Harmful Effects of Gambling

There is an extensive literature on gambling and its harmful effects. Three sources are discussed here. They can be taken as typical of the literature in their identification and discussion of the problems associated with gambling.

Livingstone *et al* (2019) extensively discuss the problems, harmful effects, strategies for minimisation of the harmful effects, policies for dealing with the harmful effects, and the use and abuse of gambling. They note that Australia leads the world in expenditure on gambling. They identify, discuss, and suggest actions to be taken in a wide area of gambling, including advertising, industry attitudes, placing of gambling machines and the harmful effects on the gambler and her/his family associates. They conclude that the harmful consequences of gambling, and the application and success of prevention of those consequences, is a major public health challenge.

Livingstone *et al* (2018) state that gambling is big business in Australia. To show what they mean they quote statistics from a number of sources including figures from the Queensland Government Statistician's Office, the Australian Bureau of Statistics and the Australian Institute of Health and Welfare.

They state that in Australia in the year 2014-15 the total consumer expenditure on gambling was \$22.7 billion.

They observe that the evidence shows clearly that the gambling industry uses very similar methods to the tobacco industry to maximise its profits. It is also observed by Livingstone *et al* (2018) that, like the tobacco and alcohol industries, the imperative for the gambling industry is to design and market a product that is as profitable as possible, and which therefore is also as addictive as possible. The result is a product which concentrates on expenditure by, and harm to, consumers.

They further state the obvious conclusion that gambling depends on the exploitation of consumers who are addicted to the product, that is, gambling. In this they are not exaggerating, they claim, but simply repeating the findings of many widely accepted studies.

The Alliance for Gambling Reform website shows slightly different figures. The differences may be due to the fact that these figures are later (2017) than those given by Livingstone *et al* (2018) for the year 2014-5, and probably indicate a significant rise over the intervening 2 to 3 years.

The Alliance for Gambling Reform website says that gambling expenditure in Australia in 2017 was \$24 billion.

Summing up they say that Australians spend more on gambling than any other country. The use of poker machines is the most harmful form of gambling, since around \$11 billion of the gambling industry's income comes from hotels and clubs. Gambling is a major factor in household debts, family breakdowns and personal dysfunction.

Conclusions

From their incomes it is apparent that the gambling industry profit from supplying a body of addicted consumers with their wants. From the amount of evidence available from surveys and other research it is also obvious that they could not convincingly

claim not to be aware of this fact, nor of the harm that they are inflicting on their customers.

From the fact that we know that harm is caused by gambling, and that the industry is well aware of the problems incurred by gamblers, it is important that gambling be closely examined by any Inquiry into harm reduction policies as they apply to future gambling practices. Particular attention should be directed towards new forms of gambling which are becoming increasingly popular such as on-line gambling. The Inquiry should focus particularly on the future effects of increased on-line gambling and its impact on gamblers who already have problems with their addiction.

To omit these future effects of gambling from the Inquiry would be to ignore a most important cause of harm to the people who indulge in it, their associates and Australian society in general. The figures given above require that action be taken on a major cause of debt, financial loss and personal dysfunction that inflicts many people in Australia. All these effects can only get worse unless direct action is taken to control all forms of gambling, particularly those most easily available to the addict, such as on-line gambling.

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