



Australian Government



Centrelink
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Canberra MC ACT 2600

Mr Hamish Hansford
Secretary
Joint Selection Committee
on Gambling Reform
PO Box 6100
Parliament House
CANBERRA ACT 2600

20 January 2011

Dear Mr Hansford,

RE: *Inquiry into Gambling Reform – Submission on the Pre-Commitment Scheme*

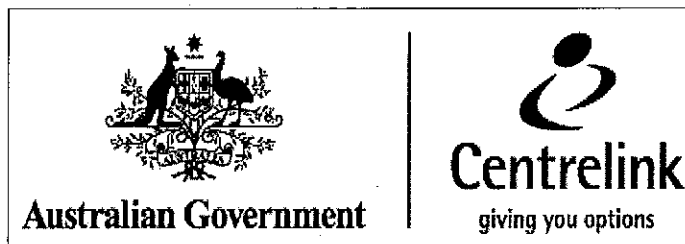
Thank you for your letter of 11 November 2010, advising that the Parliamentary Joint Select Committee on Gambling Reform is inviting submissions commenting on its terms of reference and inviting a written submission addressing issues that may be of relevance to Centrelink.

I have included, at Attachment A, the Centrelink Submission for consideration by the Committee.

Yours Sincerely

Moya Drayton
A/g Deputy Chief Executive Officer
Business Development

20/1/11



Attachment A

Centrelink Submission to the Joint Select Committee on Gambling Reform

Centrelink appreciates the opportunity to provide a submission to the Joint Select Committee on Gambling Reform. Centrelink acknowledges that the work of this Committee is important and recognises problem gambling as a serious issue that affects many Australians.

Overview

Centrelink and the broader Human Services Portfolio delivers services to millions of Australians. Centrelink customers, like any other segment of society, can experience the harms associated with problem gambling. Problem gambling affects Centrelink's work in several different ways. Centrelink may refer customers to appropriate gambling counselling or treatment services. Under the Service Delivery Reform agenda, the Human Services Portfolio is developing several ways to offer more comprehensive services to customers. These innovative service offers, which are outside of the realm of simply processing customer payments, increase the ways that Centrelink can assist problem gamblers. The debts associated with gambling may also influence the work of the Centrelink Business Integrity Division, which is responsible for debt management, fraud and payment reviews.

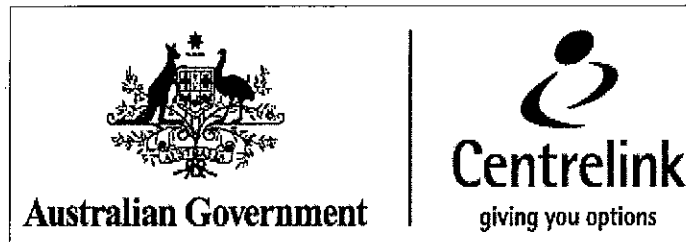
Pre-Commitment Scheme

The Productivity Commission Report on Gambling (Report) poses several recommendations. It is acknowledged that the Joint Select Committee is initially focusing its inquiry on the design and implementation of a best practice full pre-commitments scheme that is uniform across all States and Territories. In terms of the work of Centrelink, the most salient are the recommendations surrounding gambling counselling and treatment services. Centrelink supports any measures that are proven to minimise the harms associated with problem gambling.

On the design and implementation of a pre-commitment scheme, Centrelink is able to share service delivery experiences that could possibly assist in this process. It is mentioned in the Report that for players to set binding limits under a full pre-commitment scheme, a player identification device may be required. The Report outlines different player identification technologies that may be available under such a scheme. If it was decided that a card would be introduced as an identification measure, Centrelink's experience delivering Income Management and the BasicsCard may be relevant.

Income Management promotes responsibility by enabling disadvantaged Centrelink customers to better manage their finances. It ensures more money is spent on essential items such as food, clothes and rent and less money is available for alcohol, drugs and gambling. The BasicsCard is a PIN protected card that lets customers spend their income managed money at approved stores and businesses using the EFTPOS system.

Through the implementation of any major project such as the BasicsCard, a certain degree of learning occurs. From this learning, Centrelink can make several recommendations that may assist in the implementation of a card that acts as an identification measure for the purposes of pre-commitment.



Although the purposes of the cards would be different, some points to consider include:

- Commencing the tendering process for production of the card well in advance of the implementation date.
- Ensuring the card provider has ample information about every component and the performance standards required of the card.
- In addition to the obvious costs associated with a card, a financial estimate should take into consideration:
 - The ongoing cost of replacing cards and the potential for the replacement rate to be very high.
 - The potential cost of providing avenues for players to check the balance of their cards.
 - The potential cost of providing a 24hours/7days service for players to report lost or stolen cards.
 - The potential cost of employing staff to facilitate the relationship with the card provider.
- Incorporating a microchip into the card to ensure its functionality can be updated.
- Incorporating a photo on the card.

Counselling and Treatment Support Services

Recommendation 7.1 of the Report calls for governments to establish stronger formal links between gambling counselling services and community services through a variety of ways including better referral pathways.

Centrelink Social Workers, Customer Service Advisers (CSAs), Financial Information Service Officers, Indigenous Service Advisers and Multicultural Service Officers all have the capacity to provide support and to refer Centrelink customers suffering from problem gambling to appropriate services. Upon request, Centrelink has the capacity to directly pay the rent or bills of customers through Centrepay.

Centrepay assists customers to become self sufficient and improve their social capacity by providing a means to budget, improve financial planning and the ability to meet household and/or periodic expenses.

Centrepay was developed to provide Centrelink customers with a free bill paying service that allows for voluntary deductions direct from customers' Centrelink payments for ongoing expenses. These deductions are forwarded directly to the Third Party Organisation (TPO) as full or part payment for services. While there is no customer fee involved in utilising Centrepay, the organisation concerned pays a transaction fee. Customer participation in the scheme is entirely voluntary and customers may withdraw from the scheme at any time without having to give a reason to either Centrelink or the TPO.

Although Centrelink has the capacity to assist problem gamblers, anecdotal evidence from Centrelink CSAs correlates with Chapter 7 of the Report which suggests relatively few people with gambling problems seek help. Some customers identify that they gamble when having a discussion with a CSA in regards to household expenses, but many customers do not recognise it as a problem. This makes it particularly difficult to identify customers with a gambling problem to offer the appropriate assistance. In 2009/10 Centrelink social workers assisted 434 Centrelink customers with gambling problems, usually through referrals to other service providers.



In 2002, Social Work Services conducted a small 'action research' project that focussed on harnessing the advantages Centrelink has as a key point of first contact to provide assistance to individuals and families affected by problem gambling as early as possible. Over a six month period, in two Customer Services Centres, 60 customers who identified as having a gambling problem were assisted. Of the 60 customers seen, 49 were successfully referred to another service for assistance and 13 actually stopped gambling during the time they were receiving this specific support from Centrelink.

In December 2009, the Government announced its Service Delivery Reform agenda. Part of this reform is the trialling of new approaches to service delivery for the most vulnerable customers. Identification of customers at risk of social exclusion, and the provision of a more intensive service offer to these customers will be part of a new approach that will be implemented in coming years. Customers with gambling problems are likely to be considered in this context. The service response is likely to include direct service provision as well as referral to other specialist service providers.

Through its work in remote Australia, and particular with Indigenous communities, Centrelink can offer the following views on issues specific to these communities.

The prevalence of problem gambling in terms of gaming machines is not evident in remote communities and Centrelink does not specifically gather data on the same. Anecdotal evidence from communities suggests that while gaming machines are inaccessible in communities, gambling is considered a way of life in some locations and is not considered as a problem but more a cultural norm.

Particularly in the Kimberley (WA) where there are no gaming machines, card gambling is widespread. This is particularly obvious to Centrelink staff as regular gamblers are constantly seeking referrals to assist them with living expenses and discussions inevitably focus on where their welfare monies have been spent.

In line with finding 13.1 of the Report, evidence shows that the advent of Income Management and the BasicsCard has limited the amount of cash available in communities. As a consequence, anecdotal feedback suggests that Income Management has meant that less cash is available for gambling and that access to quarantined funds for priority needs is common place.

The NT Justice Department report on gambling as a social activity notes¹:

"Card playing on communities is seen as a natural social activity, with benefits associated with extended families playing together and sharing their winnings. Card circles usually involve close family members only, and do not extend invitations to community members from other clans. (This tends to restrict game size and the size of the pool in everyday contexts, but there are also occasionally larger games with more diverse players and much larger pools.) The consultants also noted that in unregulated contexts, play is face-to-face with people, not machines, thus it is a more natural social activity."

¹<http://www.nt.gov.au/justice/licenreg/documents/media/Gambling%20in%20Yolngu%20Communities%20-%20Workshop%20Report.pdf>



Anecdotal advice from Indigenous Services Officers suggest that Aboriginal people don't see 'playing card' as a gambling problem. Instead it is seen as a social contact/gathering and it's their 'way of life' for most Aboriginal people in all Aboriginal communities in the NT and Kimberley.

In remote Indigenous communities in Cape York subject to Welfare Reform measures, the Family Responsibilities Commission (FRC) is charged with helping to rebuild community norms. This includes, where appropriate:

- Referring individuals to community support services to assist them to address their behaviours; and
- Directing the person's income to be managed by Centrelink to pay for the priority needs of their family.

One of the key community support services used by the FRC is the Well-being Centre in each community. Operated by the Royal Flying Doctor Service, these Centres were established to provide a "holistic, systemic and community-based approach to treating drug and alcohol addiction and related mental health co-morbidities, including family violence and gambling."

This approach would appear to be consistent with the Productivity Commission Report findings that helping services play an important role in the package of measures for problem gambling, and that:

- The majority of problem gamblers satisfactorily manage their gambling following counselling/treatment;
- Problem gamblers often have other issues that also need addressing (such as depression, other affective disorders and substance abuse) and may need to acquire practical skills in handling their finances; and
- Mostly, problem gamblers do not need prolonged treatment.

It is also salient that the Implementation Review of the Family Responsibilities Commission FINAL REPORT (September 2010) noted that some community residents "raised gambling as an issue affecting individuals and families. While many others indicated they believe that gambling is not a major concern, it appears warranted to explore further whether there are problem gamblers who could benefit from referral to money management support services (Family IM Program) or be placed on Conditional IM orders..."

Conclusion

The information above reflects some of Centrelink's experience in dealing with vulnerable individuals, including those with gambling problems. In particular, we have sought to provide a perspective on these issues in remote and Indigenous communities. Centrelink would be happy to provide further input as required to support the Committee's work.