

Australian Churches Gambling Taskforce

SUBMISSION

Joint Select Committee on Gambling Reform

Inquiry into the National Gambling Reform Bills 2012

9 November 2012

Australian Churches Gambling Taskforce
www.gamblingreform.org

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Joint Select Committee on Gambling Reform
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The Australian Churches Gambling Taskforce welcomes this opportunity to make a submission on the *National Gambling Reform Bill 2012*. The Australian Churches Gambling Taskforce is concerned about the social and economic impacts on the community of electronic gaming machines (EGMs), including problem gambling and other harms.

The Taskforce strongly supports the passage of the *National Gambling Reform Bill 2012* through Parliament as quickly as possible and its implementation into EGM venues. The Taskforce also wishes to see the commencement of a trial of a pre-commitment system where gamblers can set themselves enforceable limits ('mandatory pre-commitment') in the ACT without further delay. The Taskforce is very conscious that the EGM industry will now do everything within its power to delay a trial until after the next Federal election in the hope an Abbott-led Coalition Government is elected, who oppose even trialling the effectiveness of allowing EGM gamblers to set themselves enforceable limits.

The Taskforce continues to also support:

- The introduction of the ability of gamblers to set themselves enforceable limits on their losses on EGMs (mandatory pre-commitment);
- The introduction of \$1 bet limits on EGMs;
- Not allowing EGMs to accept additional credits from a gambler if the machine stands in credit to the gambler to the value of \$20 or more;
- Abolishing EGM jackpots or linked-jackpot arrangements of greater than \$500; and
- The removal of ATMs from EGM venues, where the removal will not cause significant inconvenience to the local community due to a lack of alternative ATM or EFTPOS services.

The *National Gambling Reform Bill 2012* does not provide for the above measures, but does put in place the infrastructure for a pre-commitment system that would allow gamblers to set themselves enforceable limits.

1. About the Australian Churches Gambling Taskforce

The Australian Churches Gambling Taskforce (the Taskforce) brings together leaders of the major Christian churches in Australia and the heads of their social services arms nationally. Established in 2011, the Taskforce is united by a commitment to reduce the harms caused by poker machine gambling. Australian churches have a long, proud history of social services provision. Our members are ongoing contributors to the debate on gambling reform, notably through the Productivity Commission reports of 1999 and 2010.

1.1 Objectives

The Australian Churches Gambling Taskforce supports:

- the adoption of a national mandatory pre-commitment scheme that requires gamblers in all electronic gaming venues to set spending limits on high impact (high loss) poker machines;
- \$1 maximum bets on all machines which limit losses to \$120 an hour;
- reduced access to cash in gambling venues as a measure to reduce the opportunity for unplanned expenditure on gambling;
- restrictions on online gambling, including wagering and gaming; and

- improving other consumer protection measures as agreed by the Taskforce

People who provide counselling for problem gamblers rightly focus on the individuals they are working with. The priority is to help individuals and families turn their lives around. There are very few voices focusing on the broader public policy issues such as consumer protection. Poker machine gambling is a risk for around a third of regular users. Prevention is the focus of good public policy with measures in place to help people who fall through the safety net.

1.2 Membership of the Australian Churches Gambling Taskforce

Chair: Rev Tim Costello, Baptist Union of Australia and CEO of World Vision.

Members: Anglican Church of Australia, Anglicare Australia, Australian Christian Churches, Australian Christian Lobby, Baptist Union of Australia, Baptist Care Australia, the Catholic Church in Australia, Catholic Social Services Australia, Churches of Christ, Lutheran Church, Lutheran Community Care, Presbyterian Church, St Vincent de Paul Society, The Salvation Army, the Uniting Church in Australia, UnitingCare Australia, National Council of Churches in Australia, South Australian Heads of Christian Churches Gambling Taskforce, Tasmanian InterChurch Gambling Taskforce, Victoria InterChurch Gambling Taskforce, NSW Churches Gambling Taskforce.

The work of the taskforce is also supported by a number of advisers and academics.

Comments on the *National Gambling Reform Bill 2012*

The Taskforce welcomes the intent of the Bill to ensure there are state level pre-commitment systems, where a gambler is able to set a limit and have that limit apply across all EGMs within the State or Territory in which the limit has been set. Of course, disappointingly, the Bill allows the person to remove their access device to the pre-commitment system once their limit is reached and immediately keep gambling.

The Taskforce is pleased that gaming machine premises will extend to vehicles, vessels and aircraft to avoid this being used as a loophole.

The Taskforce is deeply concerned that Section 23(2) and Section 29(3) are incompatible with Section 11 which states “This Act is not intended to limit the ability of a State or Territory to impose stricter requirements in relation to such machines”. Yet Sections 23(2) and 29(3) seek to forbid State and Territory Governments access to any existing or future technology that uses biometrics in relation to a pre-commitment system regardless of the efficacy of the technology in question. This appears to be an entirely unnecessary restriction on decisions of State and Territory Governments to decide on what pre-commitment system will work best within their jurisdiction.

In Section 13 the Taskforce is disappointed at the generous time extension to be enjoyed by venues with 20 EGMs or less in complying with the provisions of the Bill, regardless of the revenue levels of the machines. This means there will be venues with large revenue generation per machine, with Victorian examples being provided in Table 1, being granted very generous delays in the implementation of pre-commitment and dynamic warning requirements. Such venues would be more than capable of introducing pre-commitment and dynamic warnings in the timeframe being required of other venues.

Table 1. Victorian EGM venues with 20 or less EGMs with machine revenues of greater than \$50,000 per machine per annum based on 2009/2010 revenue figures from the Victorian Commission for Gambling Regulation.

Venue Name	Number of EGMs	Revenue per EGM in 2009/2010 financial year
Ballcourt Hotel	5	\$53,261
Isle of Wright Hotel	10	\$66,803
Echuca Hotel	12	\$65,259
Bairnsdale Club	15	\$67,187
Torquay Hotel	15	\$77,494
Korumburra Hotel	16	\$91,149
Rubicon Hotel Motel	16	\$87,173
Esplanade Hotel - Inverloch	17	\$93,143
Royal Hotel Daylesford	18	\$83,585
Star Hotel Bright	18	\$79,676
Commercial Hotel – Swan Hill	18	\$55,100
McKinnon Hotel	19	\$80,860
Mildura Grand Hotel	19	\$67,636
Dromana Red Hill RSL	20	\$56,534
City Bowls Club - Colac	20	\$55,268
Merbein Citizen Club	20	\$57,914
Village Belle Hotel	20	\$116,708
Golfhouse Hotel	20	\$92,044
Mitchell River Tavern	20	\$91,601
Albion Inn Hotel	20	\$83,791
Royal Hotel Benella	20	\$89,396
Family Hotel	20	\$74,842
Lara Hotel	20	\$76,727
McCartins Hotel	20	\$67,475
Court House Hotel - Brunswick	20	\$52,971
Blazing Stump Hotel	20	\$54,326

The Taskforce welcomes the commencement of the ATM withdrawal limits as applying from 1 May 2013.

Under Section 21 the Taskforce urges the inclusion of a new subsection, specifically:

(4) The pre-commitment system must be able to operate independently of any venue loyalty scheme.

The Taskforce is very concerned by the potential for pre-commitment schemes to be tied, by venues, to loyalty schemes. We note that some loyalty schemes already offer pre-commitment capability. There have already been extensive debates in some jurisdictions about the extent to which loyalty schemes have been used to actively promote gambling, including to people with an established, or likely, gambling problem. Linking pre-commitment with loyalty schemes is likely to be counter-productive in seeking to reduce gambling harm, when loyalty schemes are intended to provide incentive for people to increase their spending in venues, including incentives to increase gambling. The Taskforce notes the information gathered by the Productivity Commission in Appendix C of their 2010 report showing existing voluntary pre-commitment schemes have in reality acted as mechanisms to promote loyalty schemes. For example, the Worldsmart Technology J-card system in South Australia had 32,000 loyalty card members of which 233 had enabled pre-commitment options.¹ While the

¹ Productivity Commission 2010, *Gambling*, Report no. 50, Canberra, p. C.2.

Simplay system in Queensland had 13,750 patrons signed up of which around 590 had set spending limits.²

The Taskforce welcomes Section 24 which will allow a gambler to use the pre-commitment system to self-exclude if the pre-commitment system is ever changed to allow gamblers to enforce the limits they set (by requiring them to use an access device whenever they gamble on an EGM).

The Taskforce welcomes the requirement in Section 25 that a limit period must be at least 24 hours, which will allow gamblers a worthwhile break from gambling upon reaching a limit if the pre-commitment system is ever changed to allow gamblers to enforce the limits they set (by requiring them to use an access device whenever they gamble on an EGM).

The Taskforce welcomes Section 27, which imposes a delay in someone wanting to increase the amount they can lose or decrease their limit period, but allows for a person to decrease the amount they are willing to lose or increase their limit period as soon as practicable. However, the Taskforce strongly asks this section be modified so that there is a delay of at least 24 hours before a limit can be increased. As it stands the delay in the increase in the limit can be negligible if a person seeks to increase their loss limit close to the end of their limit period.

As the Bill allows multiple providers of pre-commitment within a State or Territory for the one pre-commitment system, there is a need to clarify that a gambler will only need the one device to access the pre-commitment system with the one limit applying across all the access devices. The system should not result in a gambler having to have multiple devices to use the system in different venues or on different machines within the one venue.

The Taskforce welcomes Section 31 that requires gamblers to be provided with information about their limits and their gambling. The Taskforce would prefer that it was a requirement to provide gamblers with the information contained in Section 31(3), rather than the provision of this information being at the discretion of State and Territory governments.

The Taskforce welcomes the inclusion of Section 32, which is necessary if the system is ever changed to allow the gambler to set themselves an enforceable limit (by requiring them to use an access device whenever they gamble on an EGM).

In Section 34, the Taskforce would strongly prefer that gamblers are issued with statements containing the information outlined in Section 34(2) every six months unless the gambler has specifically requested not to receive such a statement. This would be in addition to being able to access such a statement on request. The provision of statements of activity is one way of letting gamblers know how much they are spending, while that are in a 'rational mind set'. The more regular the activity statements the better, but given the amount of money that a person can lose over a year, a six monthly activity statement should be a minimum requirement.

The Taskforce supports Section 34(3) that a fee cannot be charged to a gambler requesting the transaction statement.

The Taskforce welcomes Part 4, imposing daily ATM withdrawal limits. However, the Taskforce strongly advocates for the removal of ATMs from EGM venues. Further, the Taskforce believes a daily limit of \$250 is far too high. The Productivity Commission provides some data on session spend for gamblers from a number of states in Appendix B. For example, the average session spend for a recreational gambler in Tasmania in 2007 was

² Productivity Commission 2010, *Gambling*, Report no. 50, Canberra, pp. C.9-10.

\$18.20, compared to \$141 for a low risk gambler and \$196 for a problem gambler. Queensland figures were similar for 2006-2007 for recreational gamblers, being an average loss of \$20 per session for recreational gamblers, compared to \$43 per session for low risk gamblers and \$283 for problem gamblers. In South Australia the number of times recreational gamblers lost more than \$50 a session in 2005 was reported to an average of 0.8 times a year, compared to 5.8 times on average for low risk gamblers and 33.4 times for people with gambling problems. Data from Victoria from 2008 found only 8% of non-problem gamblers brought more than \$100 for gambling, food and other expenses when they planned to gamble compared to 19% of low risk gamblers and 47% of people with gambling problems.³ Thus, most people with gambling problems would appear to lose less than \$250 in a single gambling session. The Taskforce would therefore prefer to see a daily withdrawal limit from ATMs located in EGM venues of \$100, as this would appear to have limit impact on the vast majority of non-problem gambling patrons and have a greater impact on those with gambling problems. It still remains the Taskforce's view that ATMs should be forbidden from EGM venues, except in exceptional circumstances where a community has no access to other cash facilities.

The Taskforce welcomes Section 41 to provide some protection against any efforts made by EGM venues to circumvent the withdrawal limits placed on ATMs in EGM venues.

The Taskforce welcomes Chapter 3, providing civil penalties for venues that do not comply with the requirements contained within Chapter 2.

The Taskforce welcomes Sections 68 to 77 allowing for authorised disclosure of information for the purposes of assisting government agencies to perform their functions, for research into gambling for the purposes of the Act and to assist in law enforcement. In addition gamblers must be free to give informed consent to allow their gambling history to be accessed by researchers for the purposes of research into curbing problem gambling.

In addition the Taskforce requests the following clause be added:

Data cannot be made available to any third party with a commercial interest that could lead to promotion of any gambling related activity to registered individuals or the community more generally.

The availability of data from pre-commitment schemes needs to be available to assist with system evaluation, compliance monitoring and policy development as well as research. At the same time, there should be no opportunity for pre-commitment providers to mine the data produced for commercial purposes, with the prospect of further promotion of gambling activity to individuals as well as the community at large. This is quite contrary to the intent of the legislation.

The Taskforce is deeply concerned gamblers privacy may be breached by venues making it a requirement that in order to register for pre-commitment a gambler must consent to allowing the EGM industry access to their gambling history collected through the pre-commitment system. The Taskforce believes the EGM industry should not have any access to the gambling history of people using pre-commitment. At the very least, gamblers should be permitted to refuse to give the EGM industry access to their gambling history and still be able to register for pre-commitment. In such a case granting the EGM industry access to their gambling history through pre-commitment should be an explicit choice a gambler makes, not the default choice. The Taskforce believes this should be explicitly spelt out within the Bill.

³ Sarah Hare, *A Study of Gambling in Victoria – Problem Gambling from a Public Health Perspective*, Victorian Department of Justice, September 2009, pp. 175-176.

Canadian research found gamblers' concerns about privacy were mentioned by between 26% and 32% of video lottery terminal gamblers across risk categories as a barrier to them using voluntary pre-commitment.⁴

The Taskforce welcomes the inclusion of Section 111(4) specifying that the annual report must contain specific information about enforcement actions taken and penalties applied for breaches of the Act.

Under Section 118, the Taskforce would like the following clause added:

the power to interview venue employees and patrons

This inclusion makes explicit the power of an Authorised Person to interview employees or patrons, irrespective of the desires of a venue owner or manager. It is a transparency measure.

The Taskforce welcomes the powers of enforcement of the Act outlined in Chapter 8 of the Bill.

The Taskforce welcomes Sections 193 and 195 relating to a trial in which gamblers will be able to set themselves enforceable limits.

The Taskforce welcomes the inclusion of Section 196, giving the Director of the Australian Institute of Family Studies the function to conduct research into problem gambling and those at risk of experiencing gambling related harm and measures that may be undertaken to reduce that harm. However, this provision will only have meaning if the Commonwealth Government provides the Australian Institute of Family Studies with additional funding to conduct such research effectively. Much of the research into measures to reduce the harms caused by gambling has been constrained by inadequate research budgets, forcing the use of methodologies that do not allow researchers to fully evaluate proposed measures.

⁴ Focal Research Consultants, 'Phase 1 Evaluation of the "My-Play" System: 2010 Regular VL Players Benchmark Survey', p. 15.