

29 March 2012

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

Submission to the Joint Select Committee on Gambling Reform – Inquiry Into the Prevention and Treatment of Problem Gambling

Introduction

My name is Tom Cummings. Over the past two years I have written extensively about problem gambling and poker machine addiction, the gambling industry and the need for gambling reform. I have published mainly on my own blog, but also in a number of publications and forums, including a submission to your committee's recent inquiry into mandatory pre-commitment for poker machines.

My interest in this area is primarily personal. I was a poker machine addict in the 1990's and in many ways I still consider myself addicted to poker machine gambling, although I no longer play. It is a brutal addiction, one that bears the weight of a darker stigma than almost any other addiction or affliction in Australian society; there was a time when I would rather have died than admit that I had a problem.

Through my efforts over the past two years, I have had cause to look closely at:

- the industry as it currently stands, including the way it operates and the tactics it employs;
- government initiatives, both proposed and implemented, to tackle problem gambling across a number of gambling alternatives;
- the effectiveness of strategies that have already been employed; and
- the research and opinions of a number of other gambling reform advocates and organisations.

With this in mind, I present to you my submission to your committee's Inquiry into the Prevention and Treatment of Problem Gambling. I would welcome the opportunity to discuss this submission with you in person.

Terms of the Inquiry

This submission will cover several of the stated terms of the inquiry, being:

- measures to prevent problem gambling;
- measures which can encourage risky gambling behaviour;
- early intervention strategies and training of staff;
- data collection and evaluation issues;
- other related matters.

Measures to prevent problem gambling

Over the past decade, a number of initiatives have been implemented to combat problem gambling, including (but not limited to):

- advertising restrictions on poker machines;
- bet limits (the Victorian government's \$5 limit for poker machines, for example);
- the provision of information displays on poker machines;
- placement of clocks and warning signs/posters in poker machine venues;
- displaying the amount of money in a poker machine as currency rather than credits;
- opening/closing hour restrictions for poker machine venues;
- ATM restrictions for poker machine venues;
- planning permission for poker machine venues;
- advertising campaigns on TV/radio/print, primarily for poker machines and sports betting;
- the provision of responsible gambling messages;
- state and national gambling help services;
- training requirements for staff in poker machine venues.

It is easy to tell that the vast majority of these initiatives have been focussed on poker machine gambling. However, despite the implementation of these and other strategies over a number of years, poker machine revenue has continued to increase year after year, despite the fact that the estimated number of casual/recreational gamblers has not increased significantly over this period. Even now, with poker machine gambling in the public eye and reform on the national agenda, the figures being released by a number of state-based ruling bodies indicate that poker machine expenditure is still climbing.

The truth of the matter is that, regarding poker machines, none of these initiatives has had any impact on the experience of actually playing a poker machine. That has remained essentially unchanged for over twenty years, save for changes implemented by the industry that are designed to increase revenue, not reduce problem gambling.

It is telling that the one single measure that, when implemented, had a significant impact on poker machine revenue nationally, was the introduction of smoking bans in poker machine venues. It is equally telling that the state that most strongly resisted implementing these bans (New South Wales) is also the home of "al fresco" gaming, a concept that allows patrons to smoke at their poker machines in gaming areas that are technically classified as outdoor areas.

What this highlights is a refusal on the part of state governments and the industry to act on the gambling product itself, and focus instead on the trappings. The two preventative measures that have attracted the most discussion in recent times, being mandatory pre-commitment and maximum \$1 bets for poker machines, both had the potential to change the actual playing experience for gamblers. I believe that this is among the reasons they were so strongly opposed by the gambling industry, while other measures have been strongly supported.

Although no longer a poker machine player, I regularly drop in to venues to take a look around. I study the machines; I watch the patrons and the staff. I look at the signage on the walls and attached to the machines. For all the changes that have

taken place, the action in each of these venues is identical to those I played in during my time as an addict. In real terms, nothing has changed... save that gamblers no longer have to go and buy change to play their machines. And that's not a change for the better.

I have never seen a staff member in one of these venues approach a gambler about their playing behaviour. I know it never happened to me. And I know from speaking to staff, after hours, that their training is regarded as a necessary evil, something they have to do to keep their jobs. Given that many staff are young casual employees, often university students, it is a bit much to expect that they would have the inclination or the presence of mind to approach and speak to someone suspected of having a gambling problem.

If a preventative measure does not have some form of impact on the actual playing experience, be it with poker machines, sports betting, online casino gambling or any other form of gambling, then it is my opinion that it will be ultimately unsuccessful.

Measures which can encourage risky gambling behaviour

It is my belief that any actions or measures that encourage gambling, also encourage risk. That gambling can be addictive is not in dispute; so encouraging people to gamble by means of misleading advertising or the use of inducements such as loyalty schemes is inherently dangerous.

I want to be very clear about this. Gambling, in and of itself, is not the major problem here. The problem is the way gambling is run, by poker machine venues, sports betting agencies and the like.

There are strict regulations surrounding poker machine advertising, including a ban on television and print advertising. However, I remember the ads for Tatts pokies and Tabaret; I remember all too well how the pokies were made to appear exciting, glamorous, not to mention financially rewarding. The ads are long gone but much of that perception remains.

These days, it is the sports betting companies that are making the ads. They consistently push the boundaries of truth and good taste, and they are allowed to do so. The ads are designed to be funny, edgy, cool and irreverent, as this appeals to the demographic they are targeting. Yet the reality of the betting experience, the low likelihood of making large amounts of money (as alluded to in the ads) is completely ignored.

The advertising masks the true strategy of the sports betting companies: they simply want consumers to remember their name and visit their websites. By that stage, the battle is nearly over, and the truly underhanded tactics kick in.

An example of this is footy tipping. If there was ever a truly national gambling pastime, it would be footy tipping which at its best is a harmless bit of fun, an enjoyable office distraction. Sports betting companies have realised this, and many are now offering their own free-to-enter competitions. They are being heavily advertised, using sporting celebrities and the lure of big winnings. What they don't tell you is that in most cases, you need to open a betting account to enter, and many of the prizes are only payable in betting vouchers and betting credits. Even the major prizes, which include overseas trips and massive cash payouts, are often dependent upon having an active betting account.

Loyalty schemes for poker machines are another tactic the industry uses to encourage gambling behaviour. Many clubs have a tiered loyalty system where the more points you earn, the higher ranking and better benefits you receive. These clubs run poker machines that allow loyalty cards to be inserted, and the more money spent gambling, the more points are accrued.

There are also clubs that run special promotions at set times during the week. These usually take the form of cash giveaways, and to be eligible, you need to be playing a poker machine with your loyalty card inserted during the period of the promotion.

And in most cases, loyalty scheme points are reset every year, thereby encouraging the cycle of gambling to earn points to start all over again.

I found the recent suggestion by the Victorian government that loyalty schemes might be used as an inducement to encourage gamblers to use voluntary pre-commitment for poker machines, to be absolutely reprehensible. Their premise seemed to be that they would be happy to encourage people to gamble, so long as they used voluntary pre-commitment. It is not the place of the Victorian government to encourage people to gamble.

Early intervention strategies and training of staff

As I mentioned earlier, I have yet to see an example of a venue staff member approaching a patron about their gambling behaviour, and conversations I have had strongly suggest that this rarely takes place.

I freely admit that this is by no means proof that such actions are not happening. However, given the largely casual and part-time nature of the workforce in poker machine venues around the country, it is reasonable to assume that such standards are not necessarily being maintained in the manner that they should.

I do know that gambling counsellors undertake considerable and extensive training to allow them to do their job. I have spoken to many counsellors about the nature of their work and I know how careful they need to be, how easy it would be to say the wrong thing with potentially disastrous consequences. I have also spoken to a number of poker machine addicts over the past two years, and even though we share many experiences, I am always careful not to offer advice or solutions. I am not a trained counsellor.

So to expect venue staff to possess the capability to take on this type of role in a limited fashion, after what amounts to basic training in the concepts of responsible gambling, is quite frankly ridiculous.

Data collection and evaluation issues

There are a few points I would like to make about data collection and evaluation with regards to problem gambling.

Firstly, it is important to realise that no matter whether it is on poker machines, sports betting, poker or any other form of gambling, problem gambling is a secretive addiction. Those afflicted are generally desperate to hide their problems. It therefore stands to reason that the estimated and reported levels of problem gambling in this

country are likely to be far lower than the actual levels. This is a point of view that was supported in the Productivity Commission's 2010 report into problem gambling.

Secondly, many gambling researchers and studies are funded solely or in part by the gambling industry. There is an inherent conflict in these situations which cannot be ignored. We need a far greater level of truly independent research into problem gambling in Australia, and an organisational structure that supports this approach.

Thirdly, the requirements for the collection and reporting of gambling data, especially with regards to poker machines, vary wildly from state to state. We find ourselves in a ludicrous position where venue-specific and LGA-specific financial information is freely available to the public for all Victorian poker machine venues, yet across the border in New South Wales the same information is only available on request, in a limited fashion that excludes actual revenue figures, and only after paying hundreds of dollars for the reports which are for personal use only.

Australia needs a national reporting standard for poker machine venues and ruling bodies. In my opinion, the Victorian approach (run by the VCGLR) should be used as a template for the rest of the country to follow. Without access to this kind of information, it is practically impossible to judge what kind of financial impact gambling is having in any given area.

Other related matters

It is no accident that this submission focuses primarily on the gambling industry and gambling products such as poker machines and sport betting, while saying little about problem gamblers and the nature of gambling addiction.

The gambling industry is not supportive of measures to prevent problem gambling. Rather, it is focussed on measures that treat problem gambling once the behaviours have already developed. Counselling, self-exclusion, intervention and so on are worthy and necessary strategies, but they are reactive. They only come into play once an individual has already developed a gambling addiction.

A far better approach to gambling addiction would be to approach it from a public health perspective. We need to look not only at the addiction, but what contributes to it and what can be done to change the environment where it happens.

If poker machine addiction (for example) were a physical disease, there would be teams of researchers pulling apart the machines, inspecting the venues, looking for contributing causes. Everything would be assessed for potential impact. But because it is a mental/emotional addiction, this doesn't happen... yet it should.

Until we stop pretending that the problem lies solely with the gamblers and start looking to change the gambling environment and the gambling experience, this addiction will continue to be a blight on Australian society; one that could and should so easily be addressed.