

Gambling Impact Society (NSW) Inc
Response to the proposed Poker Machine Minimisation Bill 2008

The Gambling Impact Society (NSW) appreciates the opportunity to be consulted on this proposed Bill. We are a completely voluntary organisation receiving no ongoing funding for our work in health promotion, early intervention, or prevention with regards gambling harm. Despite requests for NSW government funding to support our work to enable us to develop fully as a peak body on problem gambling we remain after 8 years of operation without staff resources to assist us with these kinds of submissions. Our response is therefore likely to be limited, and this is in direct comparison to what we observe as significant contributions from the gambling industry often in the region of 300 page documents. This is well beyond our limited resources and highlights the imbalance of consumer representation and community voices on this issue.

More recently we have had the benefit of University Student support for a previous submission on the Gambling Harm Reduction Tax (which we understand will be considered by the senate along with this Bill). We therefore anticipate this briefer submission will add to that former one. In addition we submit as an appendix, our response to the NSW review of the 2001 Gambling Machine Act submitted to the NSW government in August last year. Much of the content of these previous submissions are relevant to current debate and this proposed Bill.

Chairperson's Background and the GIS's Underpinning Philosophy

I write this as the chairperson of the Gambling Impact Society (NSW), but also as a university qualified Social Worker of some 30 years practice and as problem gambling counsellor. I am also a community member affected by the impact of problem gambling in my locality the Shoalhaven LGA a population of 96,000 with significant areas of deprivation, high unemployment and one of the largest Aboriginal populations in NSW. A region who last year spent over 76 million dollars on gambling. I am a consumer stakeholder and as the partner of someone who has now recovered from a gambling problem but who struggled with this from an early age, I have a significant personal interest in poker machine reforms. As a family we have addressed many personal hurdles and as a committed professional I am dedicated to address public concern on this issue.

The Gambling Impact Society (NSW) was established by myself and others over 8 years ago. Having worked on the issue locally for several years prior to this I had become aware of the major gap in prevention services, early intervention and treatment in the field and a lack of voice for those who had been affected. The Gambling Impact Society seeks to address these issues and provide both professional and self-help resources to the community and those working with problem gambling. We provide newsletters, educational resources and a

professional website and support the 60 or so Problem Gambling Counselling Services across the State many of whom are our members. We initiated and have hosted Responsible Gambling Awareness Week over the past 5 years in NSW and have worked with others to see this established as an awareness raising strategy across the nation

Where possible we create opportunities to hear and respond to community concerns and provide a forum for a community response to problem gambling. Fundamentally we believe problem gambling requires a multi-faceted approach to address what we see as a hidden but major public health issue. We are committed to a Population/Public Health approach to gambling and problem gambling in the community.

In this regard we believe this Bill needs to be fully considered within this context and as a component of a number of strategies which need to be developed into a comprehensive national population health framework to address this problem. You will see from our NSW 2001 Gaming Machine Act Review submission in 2007 that we are committed to seeing Australia and NSW in particular adopt a public health approach to gambling and gambling harm. Indeed my own PhD studies will be reviewing the extent to which this has been achieved to date (since 1999) by comparison to other jurisdictions such as NZ where this has been formally recognized as an evidence based approach to the issue and legislated as such.

The need for Federal Intervention and a Public Health Framework for Problem Gambling.

Australia conducted its only major research at a national level into this field in 1999 initiated and conducted by a Federal Government Intervention. The 1999 Productivity Inquiry conducted by the Productivity Commission clearly recommended a public health approach as a means to fully address gambling harm. However almost 10 years later we are still struggling to adopt this framework.

It has been clearly suggested that the State dependence on gambling revenue (some 12% of all state tax revenue) means that States will never make that commitment alone. It was clearly recommended by David Marshall in 2004 that indeed it is only the Federal government who stands any likelihood of intervening at a meaningful level on this issue. The GIS therefore fully endorses a Federal commitment to legislative change in the field, a major consideration of harm reduction strategies and as per recommendations of Livingstone & Woolley (2007) a change of law to require a substantially different set of technological parameters by which EGM's in particular can operate in the community.

We however also believe that this extends beyond the recommendations of the two Fielding Bills and requires a Federal commitment mandating the

State/Territory governments to develop a fully integrated public health approach to gambling and gambling harm along similar models we have already adopted in Australia with regards Drug, Alcohol and Tobacco. This requires the active involvement of the various State Health Departments and leadership from Federal Health and Community Services. To date we have witnessed a significant “hands off approach” in many jurisdictions but most noticeably in NSW where we have the majority of EGM’s (98,000).

Response to the Specific Poker Machine Harm Minimisation Bill recommendations

ATM limits- capping the withdrawals at gambling venues to \$100 a day. In previous submissions the GIS position on ATM’s in gambling venues is that they should be removed. There is a clear association between the use of ATM’s in gambling venues and problem gambling. A KPMG study into ATM use and gambling conducted on behalf of the Department of Family and Community Services in 2002 clearly indicated that the majority of users were problem gamblers. Industry claims that the removal of ATM’s would inordinately inconvenience recreational gamblers and non – gamblers therefore are not supported. Those who claim that for many rural communities ATM’s in clubs/hotels are the only source of cash need to consider those communities where they have quite readily established ATM’s in other venues such as garages, shops, post offices and news agencies. There are a myriad of alternatives. The Victorian government has committed to withdraw ATM’s from gambling venues by 2012 and we firmly believe that all States/Territories should follow suit.

Smart Card – There is significant international research which indicates the benefit to both the gambling industry and the consumer with regards the introduction of smart technology. In essence from an industry point of view smart card technology will introduce opportunities to build upon existing player tracking devices (loyalty cards etc) to enhance responsible gamble practices. i.e. the opportunity to identify early those customers who may be exhibiting problem behaviour is maximized through such a data base. This is currently available in Casino settings within New Zealand and is proactively used to inform how staffs address problem gambling behaviour in the venue. It allows customers to receive interventions at an early point the development of a problem and enhances customer service and host responsibility on the part of the venue.

At a consumer protection level the use of smart card technology can increase gambling information during a gambling session along with allowing the gambler to place realistic limitations of both time and money committed to gambling prior to using the product. Those systems which I have observed also allow for players

to make immediate self exclusions without the necessity of venue staff intervention. Dickerson et al clearly indicated in his (2003) research that the loss of control whilst gambling on a EGM was common feature of the majority of gamblers (not just problem gamblers) and that as such all decisions making about time and money should be made away from the point of action. Pre-commitment technology should therefore be a mandatory requirement on all EGM"s. Studies where this has been trialed (Nova Scotia etc) have indicated major contributions to addressing problem gambling and increasing consumer protection. We firmly believe this is the equivalent of a "seat belts and air bags" approach to a clearly identifiable consumer safety issue with these gambling products.

As to amount for pre-commitment – we believe this should be further considered. The recommended fortnightly monetary credit of \$1,000 for some households may be excessive. Third party involvement in setting limits may be warranted given that the majority of problem gamblers involve third party funds such as joint household funds. In some respects the proposed limit is similar to giving a pre approved credit card account of up to \$24,000 pa for those already experiencing difficulties this is too high. A graduated system linked to individual player tracking data could inform both the consumer and venue as to what limits could be safely and used by the individual over time.

Given the speed and rate of play along with computer technology both now and in the future we believe the introduction of smart technology/cards for all EGM play would normalize their use and create a basic safety mechanism for all gamblers no matter what bet size.

Machine Limits – Free spins and near misses have been clearly linked with problem gambling behavior and we therefore support the banning of free spins but believe these further incentives of near misses should also be considered within the parameters set for gaming machines.

The complexity of gambling on an EGM and the focus of consumer protection policy to date mainly on creating "responsible" informed players has created an imbalance. EGM technology has grown beyond the comprehension of the individual. Speed of play and multiple line betting is a good example of where individuals lose control and conscious awareness of amounts bet, amounts in credit, amounts lost and won etc. Keeping track of this is well beyond the normal comprehension of the average player and as such there is a significant lack of a possibility of truly informed consent which underpins the assumptions of current "Responsible Gambling" policy.

A ban on multiple lines betting in conjunction with smartcard/smart technology for all "play" has the potential to redress this imbalance, increase consumer information, reduce problem gambling behavior and increase the likelihood of

informed responsible gambling behavior. We also support the delay between spins.

Note taking has also been clearly identified with problem gambling with problem gamblers more frequently using \$50 note BNA machines etc. BNA's are clearly linked to excessive amount being lodged in one gambling session. The uniform use of smartcards/smart technology for all bets would mean cashless betting and note acceptors no longer required..

Betting Limits – The uniform use of smartcards as previously suggested for all betting would mean no cash betting.

Prize Limits – we have suggested the uniform use of smart cards for all bets. This would encourage player and venue responsibility, informed choice and as a result treat all EGM gamblers similarly.

The Gaming Machine Manufacturers Association (AGMMA) regularly purports that EGM's are "just a form of entertainment". However, we do not believe the ability to gamble over \$1,000 an hour as at present is tenable with this statement. Nor that the current offers of linked jackpot prizes and individual machine prizes of over 10,000 are justifiable incentives to "play".

We therefore suggest that if there is to be any congruency with the AGMMA statement of EGM's being a leisure product the payout prize should be substantially reduced to equate with others forms of easily accessible leisure activities. Particularly as unlike other leisure activities e.g. buying a Cinema ticket, the EGM contract is not fixed at the point of sale. The actual real costs of "playing" remain unknown to the consumer until the end of "play".

We therefore support the recommended maximum payout prize of \$1,000 but suggest this be applied as the top prize on all individual EGM's and that linked jackpots be banned.

Final Comments from NSW Consumers

Consumers have raised with us that finding an EGM on every street corner has been a major growth of an unsafe product into the community, unchecked and substantially un-scrutinized compared to other rigorous testing for potentially harmful products.

Consumers understand that when they enter a Casino they are there to gamble an activity with associated risks. However when they enter their local club/hotel the industry tells them: "playing" a pokie is just a "leisure activity" and "everyone's a winner". If as a community we seek truth in sentencing and truth in other areas of advertising where is the truth in this?

The GIS believe that the widespread use of the terms “Gaming” and “Play” by the industry and governments alike seeks to create an illusion of EGM gambling as harmless fun which clearly the use of EGM’s can be anything other than harmless. True player information requires a community to be fully informed of the risks of gambling on an EGM and fully understand that their use is a gambling activity.

NSW consumers have indicated that the introduction of EGMs into the community ostensibly under the banner of entertainment has effectively hoodwinked the community into a sense of complacency with what is essentially an ever refined and potentially harmful product. Each year our governments spend billions educating our communities about the harmful effects of tobacco, drugs and alcohol yet in NSW the last G-line community announcements on TV were over 4 years ago.

The 1999 Productivity Commission found that the prevalence of problem gambling was greater than illicit drug use but by comparison where are the public health messages on gambling?

The GIS considers the Federal government has a major leadership role to take on this issue and we are happy to continue this dialogue.

Kate Roberts
Chairperson
8/9/08

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