

## Chapter 2

### Who will pre-commitment help?

2.1 Before going to the specifics of the bill, the committee takes the opportunity to briefly remind readers of the reason for the legislation: the personal, family and community cost of problem gambling. Over a number of inquiries the committee has heard from problem gamblers and their families, and the committee hopes that people will take the opportunity to reacquaint themselves with the personal stories in its reports.<sup>1</sup>

2.2 As this was a legislation inquiry, the committee did not receive many submissions from individuals but a problem gambler wrote in to tell the committee how he believed the legislation would assist him. It is worth reproducing some of this submission here as it is representative of many others who have experienced or are experiencing gambling problems.

I am 41 years old and I have a massive gambling problem with pokies. I am also in debt where my commitments from this debt are quite high, I find it near impossible to pay bills and living expenses on a weekly basis, I am always, almost broke the day after pay day.

I am paid fortnightly and am on a pretty good wage, my take home pay is \$2806 per fortnight, now you would think that I would have a house, car and be able to afford to go on holidays, I don't own a house, don't own a car and don't go away on holidays because of gambling on pokies. As I am not married and have no dependants, its very easy for me to do this. Living in a new city (Brisbane) I like to go out and have a drink, but when I do, I'm always drawn to the pokies, sometimes leaving a venue flat broke and not paying my bills.

I believe that someone like myself would benefit greatly from having a pre commitment card on the pokies and I would be able to manage my life and self better, I would have money at all times...

With regards to the pre commitment cards, I would like to propose that people who participate in this scheme would do so voluntarily. I am thinking that if they walk into any venue with the card, that it would have some sort of chip or something in it where the pokies would recognise that this person has entered a venue and would automatically pick up how much of their pre commitment is left, like for example, if I made a pre commitment of \$250 to gamble in a 24 hour time frame, then it would only allow me to play up to that amount and if I left to attend another venue and

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1 In particular see chapter 2 of Joint Select Committee on Gambling Reform, *First Report: The design and implementation of a mandatory pre-commitment system for electronic gaming machines*, May 2011; See also Second report, *Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011; Third report, *The prevention and treatment of problem gambling*, October 2012.

if I had \$60 left on my pre commitment, then I would only be allowed to play that amount. Of course people have to take responsibility for their own actions and there would be ways around it, but if I was to have access to something like this, this would make me more responsible for my own actions and make me conscious of the fact that I have my own destiny in my own hands and make me think about what I am doing. If I walked into a venue without making a prior commitment with the card in my wallet, then the machines should not allow me to play any poker machines within the venue...<sup>2</sup>

2.3 During the committee's first inquiry into mandatory pre-commitment a number of former problem gamblers told the committee that they believed being able to set a limit would have assisted them when their gambling was out of control.

2.4 When asked whether pre-commitment would have helped her, Ms Karpathakis responded:

If there had been another option, there is no way I would have been an addict. If there had been a precommitment card or an opt-out card there is no way I would be an addict. You get your pension and you know you have three kids and rent to pay, but you look at that money and it is not even real—it is just something to play with. That is free rein. Your brain does not think properly, but if there were a block there I would not think like that.<sup>3</sup>

2.5 In her submission Ms Karpathakis outlined that she believed a pre-commitment system would have the potential to prevent people becoming addicted and would limit the damage done by those already addicted:

I believe that pre-commitment has the potential to help people, especially the ones who can't seem to stop. At least they will be able to curb their addiction or at least not cause such extreme damage. I believe that if we had had a pre-commitment scheme when I began to play I would have been a recreational gambler and not an addict. A pre-commitment scheme, including pre-commitment cards and the opt-out system, could result in many benefits. These could include preventing new people from becoming addicted, reducing the incidence of child neglect, as well as a reduction in crime. I find the idea of preventing future pokie addicts with the help of the pre-commitment scheme exciting.<sup>4</sup>

2.6 Ms Sue Pinkerton told the committee that she believed pre-commitment would have assisted her.<sup>5</sup> She offered the following view:

Had there been a precommitment system in place when I first began playing the pokies, I sincerely believe I would not have become a pokies addict. Before that habituation process took hold, spending \$20 in one night while playing the machines seemed excessive, almost decadent. Always when

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2 Name withheld, *Submission 8*.

3 Ms Julia Karpathakis, *Committee Hansard*, 1 February 2011, p. 11.

4 Pokies Anonymous, *Submission 34*, p. 3.

5 Ms Sue Pinkerton, *Committee Hansard*, 1 February 2011, p. 66.

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entering a gaming room, even at the height of my addiction, I had the very best of intentions to stay for...only an hour or two and to spend \$50, \$100 or maybe even \$200, before going home. By the end of my pokies playing career, spending \$200 in a few hours did not seem an unreasonable thing and leaving the venue with cash in my purse almost never happened.

In the first few weeks of playing the pokies, had I been unable to continue gambling once I had spent my \$20 I would have gone home or found other activities within the venue to amuse myself with.<sup>6</sup>

2.7 Ms Gabriela Byrne also supported a pre-commitment system that would assist people when they are in the midst of the urge to gamble:

When I blew a certain amount of money that I set as a maximum that I could afford to lose, the urge to gamble ceased after 24 hours and the next limit I would set would be just the same or less...When you want to continue to gamble in the moment the urge is so strong that you would give anything to continue. If you stopped...and then you walked out and had time to cool off you realise that a measure like this is probably protecting you from losing a lot more. I think it is a worthwhile thing.<sup>7</sup>

2.8 Ms Byrne added that she felt a pre-commitment system would have stopped her losing so much money and all the negative consequences that flowed from that:

I think I would have lost a lot less money if that had been in place. And I probably would have saved my family and myself a lot more of the other consequences that go with the loss of money, the loss of confidence, the loss of relationships.<sup>8</sup>

2.9 Ms Byrne also mentioned that a pre-commitment system would have provided her with more time to work on recovery as:

When you are chasing the money that you lost the day before, you are in this mode where nothing is more important than feeding the beast but if you had 24 hours where you could sit back and say 'How much money can I afford to lose?', it would have limited the losses. To give you some anecdotal evidence, I saw a woman about three months ago, a single mum, who lost \$7,000 in 45 minutes on a 1c machine. I just think that is criminal. I would not call that entertainment.<sup>9</sup>

2.10 To be clear, the committee emphasises that the opinions listed above from the committee's first inquiry were in response to mandatory pre-commitment, not voluntary. During that inquiry, former problem gamblers expressed the view that the system should be mandatory. However, the committee feels it is worthwhile reproducing their views about how setting a limit could have helped them.

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6 Ms Sue Pinkerton, *Committee Hansard*, 1 February 2011, p. 56.

7 Ms Gabriela Byrne, *Committee Hansard*, 2 February 2011, pp 16–17.

8 Ms Gabriela Byrne, *Committee Hansard*, 2 February 2011, p. 17.

9 Ms Gabriela Byrne, *Committee Hansard*, 2 February 2011, pp 23–24.

### **Committee view**

2.11 The committee notes that clause 33 of the National Gambling Reform Bill 2012, ensures that poker machines will be equipped for mandatory pre-commitment, was not included in the exposure draft of the legislation released in February 2012. In April 2012, the government agreed to the inclusion of clause 33 which fundamentally changes the nature of the bill. It ensures that mandatory pre-commitment can be turned on by a future government at the flick of a switch.<sup>10</sup>

### **Public opinion supports reform**

2.12 Public support for poker machine reform has remained high over the period since the committee's first report. A number of polls have shown national support for action on gambling reform consistently over 60 per cent.<sup>11</sup> Although most of these polls cover mandatory pre-commitment, it is clear that the public supports people being able to set a limit on the amount they can lose before they start to play poker machines.

### **Support for the bill**

2.13 Evidence to the committee was generally in support of the bill. For example, the Australian Churches Gambling Taskforce noted that, although the taskforce's preferred option is mandatory pre-commitment and maximum \$1 bets, it supports the legislation as a first step to provide greater protection for people living with a gambling addiction and people at risk.<sup>12</sup> Ms Lin Hatfield Dodds, member of the taskforce, told the committee:

So voluntary [pre-commitment] is a step in the right direction, but we are really pleased that this legislation will deliver capability so that, in the future, when we have the next reform wave, we will be able to flick a switch and move to mandatory.<sup>13</sup>

2.14 She added:

...it is legislation that will make a difference. It has a range of measures in it that will make a material difference on the ground immediately...<sup>14</sup>

2.15 To conclude, Ms Dodds reminded the committee that across the UnitingCare Network, one of the top three reasons that people access emergency relief services, financial counselling services and family crisis services is problem gambling.<sup>15</sup>

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10 Explanatory Memorandum, p. 19.

11 Essential Research, *Essential Report*, 12 September 2011, p. 8; Essential Research, *Essential Report*, 10 October 2011, p. 6; Australian National University, 'Public opinion on gambling', *ANUpoll*, July 2011, p. 3; Information available from: <http://au.nielsen.com/news/200512.shtml> (accessed 17 November 2012).

12 Australian Churches Gambling Taskforce, Ms Lin Hatfield Dodds, *Proof Committee Hansard*, 13 November 2012, pp 1–2.

13 Ms Lin Hatfield Dodds, *Proof Committee Hansard*, 13 November 2012, p. 3.

14 Ms Lin Hatfield Dodds, *Proof Committee Hansard*, 13 November 2012, p. 5.

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2.16 The committee also notes the support of the Council of Australian Governments Select Council on Gambling Reform to support the infrastructure for pre-commitment in every gaming venue across the country,<sup>16</sup> and that industry supports the intent of the bill although it has raised issues around implementation which are covered in the next chapters.

***Committee view***

2.17 The committee is grateful to all individuals who shared their personal stories in relation to problem gambling with the committee to assist others during this and previous inquiries. The committee has stated in previous reports that there is no one solution to address problem gambling. It requires a range of measures along the gambling continuum (low to high risk). This legislation, along with the other measures announced by the government,<sup>17</sup> is an important step in providing more assistance for problem gamblers, their families and communities.

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15 Ms Lin Hatfield Dodds, *Proof Committee Hansard*, 13 November 2012, p. 9.

16 Council of Australian Governments Select Council on Gambling Reform, *Communique*, 27 May 2011.

17 On 21 January 2012, the government announced a range of measures to address problem gambling. As well as pre-commitment technology these measures include additional counselling support with 50 new financial counsellors and expanding the reach of the Gambling Help Online, strengthening self-exclusion arrangements and improving training for staff in poker machine venues. See The Hon Jenny Macklin MP, 'Tackling problem gambling in Australia', *Joint Media Release* with The Hon Julia Gillard MP, the Hon Bill Shorten MP, Senator the Hon Stephen Conroy, 21 January 2012.

