

Chair's Additional Comments

Although I support the legislation and the report I want to ensure my personal views are clearly set down. I reluctantly support the government legislation. I wish it went further and achieved more. The current opportunity for real reform has not been fully realised and this is deeply disappointing. But the legislation is the best thing on the table right now and a step in the right direction, so I will support it.

Most importantly, I want all the people affected by problem gambling who have spoken to me and to the committee about their experience, as well as those we have not heard from (and I know there are many), to know that your stories and calls for real reform will continue to drive me on this issue. I hope that you in particular understand my position on this legislation. It does not mean that I will give up advocating for further reform.

This legislation is a start. It is modest reform which I hope will be supported by the parliament. I have been able to improve it from when it was first released as an exposure draft. The government has agreed to two crucial amendments. The legislation now includes reference to the trial of mandatory pre-commitment in the Australian Capital Territory and puts in place safeguards to ensure that only independent bodies will be involved in the design, management and evaluation of the trial and that relevant data from neighbouring areas will be included. Also, the legislation also now explicitly states that all new and retrofitted machines are to be capable of mandatory pre-commitment.

I urge those in the parliament who want to see reform as much as I do to support this as a starting point. It will allow the federal government to progress gambling reform which until now has been the exclusive domain of the states and territories. It effectively puts the states and territories on notice that harm minimisation measures must be effective or the federal government will take further action. I hope the legislation will serve as a stepping stone to more effective harm minimisation measures in the future such as mandatory pre-commitment and/or \$1 maximum bets.

Addressing the product is the key. Making the machines less harmful is essential. The extraordinary reaction of the industry shows that measures such as mandatory pre-commitment and maximum \$1 bets will work to reduce revenue received from problem gamblers. As in the committee's first report, I maintain that any venue which can't sustain a drop in revenue from problem gamblers has a business model that is fundamentally flawed, unsound and unethical. These are not measures I have dreamed up. They were recommended by the Productivity Commission (PC) starting with their report in 1999 and another in 2010. How many more reports does the PC have to do advocating the same reforms before action is taken?

The support in the community for poker machine reform and these measures such as mandatory pre-commitment and maximum \$1 bets continues to be overwhelming. Those affected by problem gambling are calling for them loud and clear. I am sorry

that the government lost its nerve on this issue despite the overwhelming calls for change.

The committee has heard numerous times that voluntary pre-commitment will not work for many problem gamblers. Academic experts, former problem gamblers and social service agencies all agree, and trials of voluntary pre-commitment show that in order to be effective pre-commitment must be mandatory. If a problem gambler reaches their spending limit and they can opt out by taking out their card to keep playing or can move to another venue to keep playing, then clearly this voluntary limit will be of little use when they are in the midst of their addiction. This was also pointed out very clearly in submissions to this inquiry. Mandatory pre-commitment is a management tool to assist all players to manage their gambling. It is not the device of a 'nanny state'. It would ensure that a spending limit set away from the poker machines is enforced. The vast majority of people would never reach their limit but for problem gamblers it would limit the amount of money that would be lost and therefore limit the harm to them and their families.

I have not said that mandatory pre-commitment or maximum \$1 bets are the silver bullet to address problem gambling. Gambling exists on a continuum with people moving in and out of low to medium to high risk. A combination of strategies is required to reach everyone on the continuum which includes effective prevention and treatment measures. However it must also include machine design and limiting the amount of money that can be lost on machines to minimise the harm.

We should not be waiting until people hit rock bottom to get them help. We should not be waiting for them to lose their money, their job, their relationship, their house or their life. Poker machines are the riskiest form of gambling. They are designed to be addictive. We should not rely on ineffective responsible gambling messages to stop people developing a gambling problem. Most of the responsibility is currently with the individual and if that individual is vulnerable in some way through mental health issues, loneliness, or wanting to escape problems in their life, then what is promoted as harmless recreation can turn into a harmful addiction. If these machines are for recreation then people should not be able to lose \$1,200 per hour on them.

Industry wants to keep the focus on the individual, on individual responsibility. It wants to focus on prevention and treatment and yet would not attend a hearing to discuss improving these areas with the committee. What industry wants to do is keep the focus off the machines because any changes to machines will threaten their revenue stream from problem gamblers.

I realise that it would be up to a future government to implement mandatory pre-commitment. With this legislation, the system and machines will be ready and I hope that a strong government with a good heart will take that step. I will continue to fight for this outcome.

Regarding the \$1 bet legislation put forward by Senators Xenophon, Di Natale and Madigan I will support amendments such as they have outlined should they be moved

in the House of Representatives. \$1 bets were my original position. It was recommended by the Productivity Commission without the need for the trial. It is clear this measure would also be effective and it can co-exist with mandatory pre-commitment.

There are a couple of areas in the bill which I believe should go further. One is the need to include EFTPOS transactions in the \$250 per day ATM withdrawal limit. It seems self-evident that despite the human interaction involved with EFTPOS transactions, problem gamblers are likely to use this avenue to access additional funds. I am pleased that the committee has recommended that this issue be included in the review of implementation to be undertaken by the Productivity Commission.

While the Australian Gambling Research Centre within the Australian Institute of Family Studies is welcome, I wish to correct the impression in the second reading speech¹ that this fully delivers on the recommendation made in each of the committee's reports that a 'national, accountable and fully independent research institute on gambling be established to drive and coordinate national research efforts, monitor the effectiveness of policies to reduce harm from problem gambling and build an evidence base to better inform future policy development'.² I believe there are areas for improvement, particularly around ensuring independence and funding.

The issue of research independence was highlighted in the committee's third report where it emphasised the need to ensure independence of research and funding sources. It noted that declaration of conflicts of interest would be a condition of funding gambling research projects if, as recommended, gambling was designated as a National Health Priority Area under the National Health and Medical Research Council or as an associated priority goal recognised by the Australian Research Council. While noting that collaboration with industry can be useful for gambling researchers in terms of access to data and venues, the committee wished to see transparency about the nature and extent of such relationships.³ I consider that the independence of members of the expert advisory group from the interests of the gambling industry should be a pre-requisite for appointment. I am pleased to note the committee's emphasis on the need for transparency in relation to any existing or previous funding/relationships with industry. I believe this should be required of any researchers, individuals or institutions applying for funding from the Centre and such relationships should be made public with the research.

1 Ms Jenny Macklin MP, Second reading speech, *House Hansard*, 1 November 2012, p. 12914.

2 See Joint Select Committee on Gambling Reform, *First Report: The design and implementation of a mandatory pre-commitment system for electronic gaming machines*, 6 May 2011, pp. 89–92.

3 See Joint Select Committee on gambling Reform, Third report, the prevention and treatment of problem gambling, October 2012, pp 197–201.

Recommendation 1

I recommend that the independence of members of the expert advisory group from the interests of the gambling industry should be a pre-requisite for appointment. In addition, researchers should be required to declare any existing or previous funding or relationships with the gambling industry, including publishing the details of such relationships.

Regarding funding for the centre I am not reassured by the advice from FaHCSIA. The committee heard there is a real danger that the amount of money allocated will be insufficient and I believe the government needs to respond to calls to increase the amount of funding and make explicit publicly that the funding is ongoing.

Recommendation 2

I recommend that the government take action to ensure that the funding for the Australian Gambling Research Centre is increased to be a more realistic figure and that it makes explicit publicly that the funding is ongoing.

Mr Andrew Wilkie MP

Chair