



**Submission to the
Discussion Guide: Social and Economic Study of Gambling in
Tasmania**

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For more information about this submission please contact:

Dr Chris Jones
Chief Executive Officer
GPO Box 1620, Hobart TAS 7001
Phone: (03) 6231 9602
Email: c.jones@anglicare-tas.org.au

About Anglicare

Anglicare Tasmania welcomes the opportunity to provide a submission to the Discussion Guide for the second Social and Economic Study of Gambling in Tasmania.

Anglicare is the largest community service organisation in Tasmania, with offices in Hobart, Glenorchy, Launceston, St Helens, Devonport and Burnie and a range of outreach programs in rural areas. Anglicare provides emergency relief and crisis services, counselling and family support, accommodation support, employment services, mental health services, acquired injury, disability and aged care services and alcohol and other drug services. In addition, Anglicare's Social Action and Research Centre conducts research, policy and advocacy work with a focus on the needs and concerns of Tasmanians on a low income.

Our counselling and family support program runs Gamblers Help, which is funded by the Community Support Levy and administered by the Tasmanian Department of Health and Human Services, to provide personal and financial counselling, emergency relief and exclusions from gambling for people with a gambling problem and their families as well as providing venue support, group support, community education and community development to help reduce gambling problems. Our workers frequently report their frustrations in trying to provide support to people in a regulatory environment that fails to provide adequate protection to their clients. Gamblers Help clients tell our workers that the gambling environment, including advertising, inducements, player loyalty schemes and non-gaming venue-inducements encourage them to gamble.

In addition, most of our services experience the impacts of gambling problems. We see families break down, individuals in crisis and people unable to afford to eat or to heat their homes because of a gambling problem in the family.

Anglicare's recent research work on gambling includes *House of Cards* (Law 2005), which looked at the impacts on low income Tasmanians who have a gambling problem in the family and *Nothing Left to Lose* (Law 2010), which looked at cases in the Supreme Court where the defendant had a gambling problem.

Part 1 Gambling in Tasmania

Poker machines contribute by far the largest share of player expenditure in Tasmania: roughly 75% of all gambling expenditure is spent on poker machines (Tasmanian Gaming Commission 2010).

Poker machines are designed for high intensity play at a high hourly cost (Productivity Commission 2010, page 11.1). The high hourly cost leads to people who use them regularly losing large amounts of money, which can lead to problems. The majority of people who experience problems with their gambling are using poker machines.

The majority of Tasmanians think that poker machines are a serious social problem (Department of Treasury and Finance 2008, page 53).

The table below summarises the expenditure on poker machines since 2004 (losses by people using them) as well as the income for the State Government from poker machines.

End of financial year	Total number of poker machines in Tasmania	Expenditure (losses incurred by users) on poker machines	State taxes and fees collected from poker machines
30/6/04	3447	\$211 million	\$53 million
30/6/05	3566	\$219 million	\$55 million
30/6/06	3680	\$200 million	\$50 million
30/6/07	3665	\$203 million	\$51 million
30/6/08	3677	\$214 million	\$53 million
30/6/09	3652	\$225 million	\$56 million
30/6/10	3651	\$215 million	\$54 million

Source: Tasmanian Gaming Commission Annual Reports 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10

Anglicare has long argued that the most effective signal that harm minimisation measures are effective is to see a significant decrease in expenditure and this must be monitored over a number of years.

There is no long term trend in the figures above to suggest effectiveness of harm minimisation measures that have been introduced by the Government including the smoking ban in gaming areas from 1 January 2005 (with complete prohibition of smoking in licensed premises as of 1 January 2006) and those announced in 2009 (listed in Table One of the Discussion Paper).

Government studies of gambling

There have been a number of government studies and inquiries in recent years that Anglicare Tasmania has contributed to. Below are our key thoughts on each of these.

The first Social and Economic Impact Study (2008) As listed in the Discussion Guide, Tasmania's first Social and Economic Impact Study (SEIS) found that the gambling industry had not made a significant contribution to Tasmanian economic growth; there was no evidence of increased employment due to poker machines; the contribution of tourists was unclear; the importance of gambling taxation to the government was falling; there is a relationship between gambling and crime; and there is a link between low incomes and high poker machine expenditure (Department of Treasury and Finance 2008).

Another important finding of the first SEIS was that the majority of Tasmanians do not use poker machines: only 29% of respondents had gambled on poker machines in the past year; nearly all respondents gambled less than once a month; and 28% of respondents usually gambled for less than 10 minutes (Department of Treasury and Finance 2008). This shows that, despite the amount of attention being paid to the rights of recreational gamblers, the majority of Tasmanians are not spending much time gambling on poker machines. This means that measures can be introduced with the purpose of reducing harm to those with, or at risk of developing, a gambling problem without having a large impact on the broader Tasmanian community.

The first SEIS estimated the net benefit of the quantifiable costs of gambling to be in the range of -\$62.7 million to \$75.5 million. This data fails to provide guidance to the State as to the real economic and social costs of gambling. Anglicare requests the second SEIS attempts to get a tighter range to help guide Parliament in its deliberations on gambling policy.

The Tasmanian Gaming Commission provided a Policy Response to the Treasurer on this first study that Anglicare believes set a new benchmark for Tasmania (Tasmanian Gaming Commission 2008). The TGC Policy Response included an assessment of where existing measures could be enhanced as well as new measures to improve the protection of consumers. If fully implemented, this large list of potential strategies would have great impact on reducing harm to Tasmanians who gamble on poker machines. Unfortunately the Treasurer chose to only implement a handful of these strategies (*Tasmanian Government Gazette* 29 July 2009, p. 1447).

The Productivity Commission's Inquiry Report into Gambling (2010) The Productivity Commission's inquiry into gambling focussed on the risks for people who use poker machines regularly because "around 15 per cent of these regular players... are 'problem gamblers'. And their share of total spending on machines is estimated to range around 40 per cent" (Productivity Commission 2010, p.2).

Further, the Productivity Commission noted that it is important to "consider how gambling technologies, venue behaviours and other aspects of the gambling environment can lead to harmful outcomes for gamblers" (Productivity Commission 2010, p.18). This is in line with what we see through our service delivery in Tasmania.

Two key recommendations made by the Productivity Commission about poker machines are that the betting limit be reduced to \$1 per spin and that a pre-commitment system is trialled. Anglicare supports both of these recommendations.

The Tasmanian House of Assembly Select Committee on the Gaming Control Amendment Bill 2010 (\$1 bet limit) Anglicare Tasmania spoke to the House of Assembly Committee about the proposed reduction of the maximum bet limit to \$1. The aim of reducing the bet limit to \$1 per reel spin is to reduce the amount that can be lost on average to \$120 per hour. The Productivity Commission suggested this as a move towards a more reasonable cost of recreational activity than the current average of \$600 per hour that can be lost at Tasmania's current \$5 maximum bet limit¹.

The Federal Parliament Joint Select Committee on Gambling Reform Inquiry into Pre-commitments Scheme (2011) The major goal of a pre-commitment scheme is to allow users of poker machines to exercise control over their expenditure before they start to gamble.

¹ Many of Tasmania's poker machines are still set at a maximum bet of \$10 per bet. The \$5 maximum bet is only required on new machines installed after 1 April 2010, with all machines being required to be at \$5 by 30 June 2013.

Anglicare provided a written and verbal submission about the proposed pre-commitment scheme (Anglicare 2011a). We recommended a compulsory card based pre-commitment system that is part of a raft of reforms that include reducing opening hours and reducing the maximum bet limit.

Draft Mandatory Code of Practice for Tasmania (2011) In 2010, the Tasmanian Gaming Commission developed a draft code of practice for the provision of gambling in Tasmania. Anglicare felt the draft code was largely on target for providing environments that do not induce people to gamble recklessly. Examples of measures we supported are reducing the times that gambling can be advertised, restricting access to cash through accessing cash through credit cards, prohibiting the cashing of “winnings” cheques on the same day and improving lighting in venues (Anglicare 2010, 2011b).

We felt, however, that the Code could be more effective if there were tighter restrictions to accessing cash at a gambling venue, including the use of EFTPOS and the payment of ‘winnings’. We also recommended that opening hours be reduced, that forced breaks in play could be included and that the type of poker machine permitted could be changed. We await finalisation of the Code in coming months.

Part 2 Invitation for comment – addressing some of the questions raised in the Discussion Guide: Social and Economic Study of Gambling in Tasmania

2.1 What role do you think gambling plays for Tasmania?

Clients of Anglicare’s services tell us that they gamble because they are bored, lonely or stressed. Many people who gamble for these reasons gamble regularly and because of the nature of gambling, and in particular poker machines, people encounter difficulties: they lose money, sell belongings, borrow money from friends and family and sometimes turn to crime to pay back their loans and ‘chase their losses’. The majority of problems for people we see through our services are with poker machines, although difficulties also arise with races, casino table games, tatts/lotto and keno.

The following quotes are extracts from Anglicare’s research into problem gambling and low income earners in Tasmania (Law 2005):

I was playing the pokies for I don’t know how long. I would go there out of boredom. I would have a row with my boyfriend and I would put the money in the slot and feel better. Then I would lose it. I would lie to get money and I don’t feel good about that. (Belinda, poker machines)

I felt that when I was behind the machines I had no personal problems. I would forget about any worries I had until I walked out the door and lost all the money I had and realised I had to pay the Hydro. I didn’t have any money to pay any accounts. This went on for months... When you are playing the machines, nothing else matters... It is like you are in a world of your own. You don’t have to think or feel. It is the only way I can express it. (Patricia, poker machines)

You live in a dream world. You win or lose, it doesn’t really matter. Then I said I will shake myself out of it but you keep going. (Murray, races)

I just try not to go there. With me it is hard because I think it will make me feel better just to go and press those buttons ... I just can’t seem to fight it. It is harder to fight than alcohol ... It is like a ritual. I don’t really know why I want to go. (Anna, mixed gambling)

2.2 *Effectiveness of gambling harm minimisation measures implemented since the first study.*

Anglicare believes the most effective measure of the effectiveness of harm minimisation is to see a reduction in expenditure and this must be monitored over a number of years. While the general health benefits of introducing a smoking ban in gaming venues as of 1 January 2005 are obvious, the effect of this measure on gambling problems is less certain, with expenditure on poker machines fluctuating in the following years but not dropping significantly (see expenditure table above).

It is too early to assess expenditure trends for the harm minimisation measures brought in since the first SEIS. In addition, measures that relate to poker machine technology are being phased in as venues replace existing machines and will not be fully in place until 30 June 2013. Whether these measures are effective cannot be properly assessed until expenditure is monitored for a number of years following this time.

Anglicare's view on the effectiveness of each measure that has been introduced since the last SEIS is as follows.

Improved information on poker machines

Anglicare welcomes this initiative but is not sure yet if it is an effective measure.

Limits on use of cheques in casinos

Anglicare welcomes this initiative but would prefer stricter rules around access to cash.

Clarify the Tasmanian Gaming Commission's role on harm minimisation

Anglicare welcomes the clarification of the role of the Tasmanian Gaming Commission to consider harm minimisation in the exercise of all its powers. However, the effectiveness of this measure is limited by the power of the Treasurer to decide what advice to implement. Anglicare believes that the Tasmanian Gaming Commission should be more independent of Government and would prefer a model similar to the Office of the Tasmanian Economic Regulator. Alternatively, Anglicare also advocates for the establishment of an Independent Gambling Consumers' Advocate to oversee research and the development and promotion of harm minimisation strategies.

Strengthen penalties regarding minors

Anglicare supports this initiative but has not evaluated its effectiveness.

Strengthen exclusions scheme

Anglicare supports this initiative but has not evaluated its effectiveness.

Reduced maximum lines on poker machines from 50 to 30

Anglicare supports this measure although we believe the number of lines could be reduced further so as to reduce the maximum bet limit to \$1 per button push. The effectiveness of reducing from 50 to 30 lines is not able to be evaluated fully at the moment because this measure is being phased in with new machines and we do not know how many machines remain at 50 lines and how many are now 30 lines. It would be helpful if the TGC reported on the uptake of maximum 30 line machines at 30 June 2011, 30 June 2012 and 30 June 2013.

Reduced bet limit on machines

As with reducing the number of lines, Anglicare supports this measure but believes the bet limit should be reduced further to a maximum of \$1 per button push. Since the \$5 bet limit is being phased in with new machines, it is again too early to monitor the effectiveness of this measure on expenditure.

Reduced cash input limits in casinos to \$500

This is another initiative that Anglicare supports but would prefer to be reduced. Again, it is only being introduced with new machines and we do not have data as to how many machines in casinos have been installed with this requirement.

Enhancement of the Responsible Conduct of Gaming Course

Anglicare supports enhancing the gaming course but the new course has not yet been introduced and so we cannot evaluate it.

Currently only one of the four RTO providers of the Responsible Conduct of Gaming Course includes an Anglicare Gamblers Help counsellor in the delivery of their course and our input is only for the last hour of the day. As far as we know the other RTO providers do not include any input from a counsellor. We think the training should include much more input from counsellors. Counsellors could assist by explaining how to approach someone when you think they might have a problem; helping gaming staff practice communication skills; and providing guidance on how to do a referral, what the options are for self exclusion and what to do when someone breaches self-exclusion.

Anglicare is pleased that the new Gamblers Help contracts have provided money for community education and community development and encourages the support services to develop a relationship with venues. The new contracts also allow the counsellors to provide emergency relief vouchers and assistance with bus transport, which we think is a positive move.

Mandatory code of practice

Anglicare has long lobbied for the replacement of the existing voluntary code of practice and support the imminent introduction of a mandatory code. However, the final details of the new code will not be released until later this year and we can therefore not yet evaluate its effectiveness.

2.3 Are there other measures that you consider may be effective in reducing the harms associated with gambling?

Anglicare advocates for harm minimisation based on the findings of research and based on the principle of consumer protection.

There seems enough evidence to:

- reduce the maximum bet limit to \$1, which along with adjusting volatility of poker machines would see maximum hourly losses reduced to about \$120;
- introduce a mandatory card-based pre-commitment system;
- improve on-screen information on poker machines so they say exactly how much you should expect to lose per hour of use on a particular machine betting at particular rates;
- reduce the opening hours of gaming venues;
- increasing forced breaks in play; and change the type of poker machine that will be approved to allow only those that require informed decisions.

Anglicare also believes that prevention is an important part of harm minimisation and the following measures would help prevent harm:

- new gambling licences and technologies should be subject to social and economic impact tests;
- an investigation of sports betting and its impact on young people; and
- an assessment of how to impose harm minimisation measures on online gambling that is accessible in Australia.

2.4 Do you consider that the national pre-commitment proposal will be effective in reducing harm?

The major goal of a pre-commitment scheme is to allow users of poker machines to exercise control over their expenditure before they start to gamble. Anglicare's research into gambling problems for people on low incomes in Tasmania found there were a number of factors that caused people to lose control in a gaming venue, including the design of the poker machine, patrons' misunderstanding of how poker machines work, their desperation to get money and the consumption of alcohol.

The following extracts from Anglicare's research (Law 2005) highlight these issues:

I get urges where I am going to win, there is no thinking you are going to lose and I overdo it. When I am in a real binge I just keep going and blow all of my pension ... My gambling has been out of control, with lots of binges. I want to seek help to control it. I have periods where I can control my finances but there are stages where I get out of control, mainly with the machines. (Kevin, mixed gambling)

I would just spend \$20 and when I lost that I would say no more. But I didn't, I just kept going and I would lose everything. (Belinda, poker machines)

I couldn't control the urge to go, the temptation. As soon as I had money in my hand I went off. (Patricia, poker machines)

Anglicare's research has found that people try to control their gambling and this includes trying to set their own limit (Law 2005).

[I set a \$20 limit] but I always end up spending more. I seldom make any money after spending \$20 ... When I am more centred I spend less. I do have a mood when I am very sensible and other moods when I am not sensible. I don't know what else there is to try. (Kathy, poker machines)

Our research also indicates that some people need the help of family to control their gambling. This may be through managing their money and paying bills or through setting a limit at the venue (Law 2005).

Sometimes we will set a limit if we are out together having a drink. [My partner] usually spends that and asks me for more and I give it to him ... When we weren't together he used to bet all of his pension. If I am around he will bet less but if I am not around he will bet more. (Jacky, partner, poker machines)

I allow [my son] to go once a week but usually I am with him and I set him a limit on how much he can spend ... I have said to him there is a limit of \$20 and that's it ... He constantly asks to go and is always asking for more money. (Carole, mother, poker machines)

Research also suggests that for some people it was only lack of money that brought control (Law 2005).

The strategies of trying to stop haven't worked. I haven't really been able to stop. The only time I have stopped is when I didn't have any money ... I always thought I could stop. (Ben, mixed gambling)

These examples show that people with a gambling problem have great difficulty in controlling their expenditure on poker machines once they start to gamble even though they expressed desire to control their gambling. Anglicare believes that people with a gambling problem are likely to benefit

from a pre-commitment system in which they set a limit before they start gambling and are unable to change that limit once they start.

Anglicare's conclusions are supported by research conducted by the Victorian Department of Justice in 2009. One thousand people who used poker machines were surveyed about a range of harm minimisation measures. The study found that the majority of "non-problem gamblers" felt there would be little change in their level of enjoyment, money spent, session length or the frequency with which they would gamble if there was an expenditure limit system in place and they had to wait 24 hours before being able to change the limit (Schottler Consulting Pty Ltd 2009). In contrast, people with a gambling problem felt they would spend less money and time using poker machines and gamble on them less often if this expenditure limit was in place.

Pre-commitment technology in various forms already exists and is in operation in some jurisdictions (Independent Gambling Authority 2005). The Productivity Commission noted that the existing central monitoring systems in Tasmania, Northern Territory and Queensland could be used to provide pre-commitment and that Victoria would soon implement a similar monitoring system (Productivity Commission 2010).

Representatives of the Tasmanian gambling industry have indicated support for pre-commitment:

'The industry is more than happy to look at harm minimisation and issues on the Federal agenda at the moment and look at pre-commitment and how we might work down that path with the Julia Gillard-led Government.' Steve Old, General Manager, Tasmanian Hospitality Association (Tasmania, House of Assembly, Select Committee on the Gaming Control Amendment Bill 2010 (\$1 Bet Limit) 2010, page 9)

and

'Pre-commitment deals with the player who may be a problem gambler or who may not. It allows proper constraints to be based on the play and it does not impact on the product. It allows product development to continue to take place.' Greg Farrell, The Federal Group (Tasmania, House of Assembly, Select Committee on the Gaming Control Amendment Bill 2010 (\$1 Bet Limit) 2010, page 26)

Anglicare recommends the following model for pre-commitment.

A card-based system that:

- is universal for all poker machines in all venues in all states and territories;
- is compulsory (termed 'full pre-commitment' by the Productivity Commission)
- is easy to apply for and easy to use;
- is not transferable;
- uses plain English and no jargon (for example, the South Australian trial used the terms 'primary and secondary limits' when it meant daily, weekly or monthly limits);
- cannot have the limit increased within 24 hours (known as the 'cooling off period' but plain English should be used to describe this differently); and
- has binding limits with 'real consequences' so that once a limit is reached the customer cannot continue to spend money (Productivity Commission 2010, page 10.25).

A card-based system that allows the customer to:

- set a maximum limit on expenditure;
 - set a maximum amount of time the customer wants to use poker machines;
 - set breaks in play at regular intervals and for specified amounts of time;
 - receive progress warnings at 50% and 75% of the selected limit;
 - personalise their reminder messages, e.g. 'don't forget the kids', 'go home', 'I will not win';
- and

- receive player activity statements at the venue (printed) or online.

Anglicare believes that customers would quickly become accustomed to a card-based system, like we have become used to using cards to withdraw money at ATMs, for membership at gyms and pools, and to gain loyalty points when shopping or gambling.

A person who only gambles occasionally could have two options within a card-based pre-commitment system: to apply for the standard pre-commitment card, or to purchase a one-use card with a set amount on it (e.g. \$10, \$20, \$100). Anglicare recommends that identification such as a driver's licence should be required to have one of these one-use cards issued to you and the recipient's details should be entered into a computer system linked across the state so that each person can only purchase one one-use card per day. These cards could be similar to a phone card.

Some of the studies into pre-commitment systems found that many participants never reached their limit because they set the limit higher than they usually or intended to spend. Anglicare therefore recommends that a maximum limit for pre-commitment be introduced. However, this requires further consideration so that the maximum limit has meaning to the individual's circumstances.

2.5 *Do gambling venues provide sufficient support and assistance to consumers experiencing difficulties with gambling?*

Anglicare believes that for a number of reasons it is difficult for venues to provide sufficient support and assistance to consumers experiencing difficulties:

- while gaming staff must attend training, they are not trained counsellors;
- a person with a gambling problem is often quiet and focussed on gambling and therefore not causing difficulties to the venue;
- other than the amount of time spent at a poker machine, it is difficult for venue staff to identify symptoms of gambling problems; and
- people with a gambling problem contribute significant amounts of money to venues.

2.6 *Are support and other services meeting the needs of consumers experiencing difficulties with gambling?*

Given that only a small percentage of people who experience problems seek help (probably less than 20 per cent) and this is usually after they have 'hit rock bottom' (Productivity Commission 2010, page 7.1) Anglicare thinks it is essential to devise effective prevention and early intervention strategies.

The new Gamblers Help contracts will improve our service delivery because we will have increased contact with venues and proper funding for community education and community development as well as provide clients with emergency relief support.

2.7 *What do you think the impact of advertising or media coverage about the risks associated with gambling has been?*

The government advertising campaigns are viewed positively by Anglicare clients. However, the industry advertising to encourage gambling has the opposite effect: the songs are sung and clients have reported waking up at night seeing the oasis image and being mesmerised so that they feel 'sucked into' the sign.

2.8 Local area impacts

Anglicare welcomes the changes proposed to the social and economic study that will lead to greater understanding of the impacts of gambling at a local level. We support the areas chosen for the local area studies and hope that in-depth information will be provided about each of these areas to help local authorities and local service providers.

We note that the areas of Break O'Day, Brighton and Circular Head are not reported separately in the Tasmanian Gaming Commission annual reports due to these local government areas having less than 3 venues and the Commission deeming this to risk breaching commercial information. Anglicare requests that in the SEIS these areas are reported separately to get a thorough picture.

Conclusions

Gambling problems are a public health issue that should be treated in the same way as other public health issues, with consumer protection at the forefront. Anglicare encourages the consultants to get as accurate a picture of the social and economic impacts of gambling in Tasmania so that Tasmania's Parliament can take more effective action to reduce the harm caused by gambling problems.

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