

Anglicare Tasmania Submission to the Parliamentary Committee on Public Accounts Review of the Community Support Levy March 2005

Anglicare welcomes this opportunity for scrutiny of the Community Support Levy and, more broadly, for the time to reflect on the impacts of gambling and in particular poker machines on Tasmanians and our communities.

As a provider of Break Even services as well as other counselling and support services for low income Tasmanians, Anglicare has first hand knowledge of the social and economic impact of gambling in Tasmania.

In addition to service provision, Anglicare has also conducted research into the regulation of gaming and applied to the CSL for charitable grants and for funding for research into the impacts of gambling. Our focus is always on helping low income Tasmanians.

In presenting to you today, Anglicare wishes to focus on the distribution of the section of the Levy dealing with problem gambling and other health issues and in particular the level of research funded through the CSL.

In addition, we endorse the written submission by TasCOSS, which points out problems of the grant system, including its efficiency, the lack of strategic planning and the difficulty of assessments, but we leave TasCOSS to argue further on these issues on behalf of the sector.

In this submission, Anglicare makes a number of recommendations to the Public Accounts Committee for you to consider recommending to Parliament. These recommendations focus on the following areas:

- Greater commitment to fund research with the goal to improve policy outcomes and the re-establishment of the Research Committee to oversee research funding.
- Establishment of a Community Board to make decisions on distribution of all other funds from the CSL.
- A publicly-accountable process for allocating accumulated “surplus” in all sections of the Levy.
- Improved reporting mechanisms, including regular evaluation of all sections of the Levy, consistent accounting records, more detailed public recording of all expenditure, and a complaints mechanism.

Terms of Reference

(a) Reasons for level of unexpended funds

Introduction

Since the CSL was introduced in 1996-97 and up to the end of the 2003-2004 financial year, more than 20 million dollars has been collected in the CSL. There has been underspending in each section of the CSL since it was established. For the majority of the years since 1996, less than half of the available funds have been spent.

Fifty per cent of the Levy is allocated to the “problem gambling” section of the Levy. Thus, over these 8 years, \$10.5 million was available in this section. In fact, only \$8.5 million has been spent. Of this \$8.5 million, \$4 million was allocated from the “problem gambling” section in the last financial year after criticism of underspending by the Legislative Council Select Committee in 2002 and the Auditor-General in 2004. Only \$1 million of this \$4 million was directed to problem gambling services and community education and none to gambling research.

Allocation to gambling research

The 1999 Community Support Levy Research Policy approved by the Minister for Health and Human Services in October that year, states that, “In the lead up to the extension of gaming machines into hotels and clubs the Tasmanian Government has taken a pro active approach to funding research on the social and economic impact as well as best practice in the provision of services for problem gamblers and their families. As part of its statutory responsibilities the Department is committed to conducting research into the social and economic impact of gambling and gambling in Tasmanian. The information is also used to provide advice to the Minister on policy issues with respect to gaming and gambling.”

However, according to the Gaming Commission annual reports, no expenditure was made for 6 out of the 8 years with only \$118,435 having been spent on gambling research in this time. This includes an amount of \$32,843 that was listed in the 2002-2003 annual report as committed but not expended but which does not then appear in the 2003-2004 report as having been spent. A further \$189,000 is promised to be spent over the three years 2003/04 to 2005/06; however there is no mention in the annual report of expenditure on gambling research for 2003-04. Including this figure, it will mean a total of \$307,435 will have been spent on research into gambling over a period of 10 years and in the context of approximately \$15 million income into the 50% section of the Levy (a total of 2%).

Tasmanian research into gambling is quite limited in scope. Since the extension of pokies into clubs and hotels, there have been two prevalence studies, one study that looked at patron care policies and programs, a review of the Break Even services and an investigation of the impact of gambling at one emergency relief agency. No research was conducted prior to the change in betting limit or imposing an increased cap on the number of poker machines in the state.

The limited amount of money being spent on gambling research, the process of deciding research priorities and the lack of opportunities for community to apply for research funds are of great concern to Anglicare. Government policy and Gambling Support Bureau community education are operating in a limited field of research.

There are some initiatives in other states that could help guide Tasmania at this point. These examples show that other state governments are willing to fund wide-reaching research, invite public participation and assess impacts of policy changes and research impacts on particular population groups.

For example, the Queensland Government established the Responsible Gambling Research Grants Program to “enhance the quality and quantity of gambling related research” and “contribute to the development of gambling policy”. There is an annual round for applying for these funds, with criteria available on the Government web site (see attachments: Process for submitting a proposal for the 2004-2005 Responsible Gambling Research Grants Program, Information required to submit an application, and Research Governance Process Paper, accessed from: <http://www.responsiblegambling.qld.gov.au/research/research-grants/index.shtml>).

Research conducted in Queensland under this program is wide-ranging and thought provoking. It includes:

- A state-based analysis of the Australian Gambling Statistics
- Problem gambling prevalence study in prison populations as well as a study of problem gambling and criminal behaviour
- A survey of 13,000 people to investigate gambling activity and prevalence
- Impact of the change in note acceptors policy
- Impact of pokies on charitable fundraising
- Young people’s experiences of gambling
- Ethical governance in the gambling industry
- Mental health and gambling
- Costs and benefits of gambling in socio-economically disadvantaged areas

Tasmania could also learn from Victoria’s Gambling Research Panel, which spent \$500,000 last year conducting research into the “social and economic impact of gambling” and the “causes of problem gambling and strategies to minimise harm from gambling”.

In 2003-2004 the Panel published reports that:

- evaluated the Victorian gambling screen
- conducted a longitudinal study of community attitudes and activities relating to gambling
- designed a self-assessment guide
- evaluated harm minimisation strategies used in poker machine venues
- looked into the impacts of regional caps for pokies
- assessed best practice in problem gambling services
- compiled studies of clients of problem gambling services
- looked at the impacts of changes in technology on wagering
- reviewed the changes in poker machine technology

- compared the impacts of pokies on local communities in Victoria with Western Australia (no pokies outside of casinos).

The Panel had further plans to research gambling and crime, gambling and mental health, cultural influences, a review of loyalty schemes and the influences of media. In late 2004, the Victorian Government disbanded the Panel.

The New South Wales Government conducts annual surveys of people seeking help through the Break Even services. They have also funded research into the effects of shut-down periods and harm minimisation messages.

In South Australia, the Government has funded research into gambling education in schools and an analysis of Break Even clients.

Anglicare recommends:

- Greater allocation of funds from the CSL to research the impacts of gambling. Gambling research should be targeted to improve policy outcomes for the Tasmanian community.

(b) The distribution process

Introduction

In the 1993 parliamentary debate over the proposed introduction of poker machines to clubs and hotels in Tasmania, Mr. Bailey MLC said, “The reason for putting in ‘other health services’ is that if the funds that are to be allocated pursuant to this 50 per cent exceed the amount that might need to be appropriated in relation to gambling problems, they can be used by other health services.” (Hansard, 3 December 1993, page 5618) Further, that “the intent of the legislation is for related health services where there is some dependency on alcohol or other drugs.”

Anglicare argues that while some excellent initiatives are being funded through the 50% section of the Levy, some essential services regarding gambling, and in particular research into gambling problems and advertising of problem gambling services, have not received sufficient funding. Approximately \$2 million enters this section of the Levy every year. Although the GSB has a 3-year strategic plan, there was no consultation with the community about priorities for this section of the Levy, nor does their plan specify how their plan relates to the income expected over this time. In 2004, the GSB’s advertising campaign was evaluated and the Break Even services are currently under review. The allocation to these areas should be adjusted pending discussion and consultation about these reviews. This should form part of a strategic plan for distribution from the “problem gambling” section of the Levy.

Until the Auditor-General’s report was released in 2004, unexpended money remained in the CSL funds. Since this report, the Government has accelerated disbursements but without public comment and without articulating their strategy. The majority of these disbursements have been to fund worthwhile activities but which Anglicare considers to be core Government business (such as the \$1.6 million “New Social Program” announced in the 2003 Budget to address mental health, family violence, healthy

lifestyles and children and community capacity building through neighbourhood houses). This expenditure is listed in the TGC annual report as assisting people affected by problem gambling, however very limited information is publicly available on these programs making it difficult to assess their relevance. Anglicare argues that some of this “excess” money should have been directed towards gambling research; however there is no mechanism for contributing to decision-making. Before money is directed to “other health services”, we need to ask whether more expenditure is needed to reduce the impacts of gambling for individuals, families and communities and in which ways it would be best to direct funds. This requires greater commitment to research.

Further, while the Tasmanian Health and Wellbeing Fund grants money to “programs and projects connected with the social impact of gambling”, there is no reporting on this Fund in the TGC annual report, leaving the public unable to monitor these initiatives.

Allocation to gambling research

The 1999 CSL Research Policy established protocols to manage the research component of the Levy. These were that:

1. “Research and evaluation of services on problem gambling is accepted as an integral part of the Service Delivery Model to ensure effectiveness, efficiency and accountability to stakeholders and the Government in the provision of services to those affected by problem gambling.
2. Separate to the internal Departmental need for evaluation of the services provided under the model, and ongoing reviews by the Department of best practice in Australia and overseas for Research funding requests are expected to come from:
 - Other Government Agencies
 - The Community.”

All research submissions were to be vetted by a Research and Evaluation committee, which included state and federal public servants and someone nominated by TasCOSS. This committee was to develop tender specifications and vet submissions from government agencies as well as from the community and make recommendations to the Minister for recommendation to the Treasurer. Major research was to be tendered for publicly.

However, this committee has been dormant for a number of years and recommendations on research have been left to bureaucrats politicians alone.

At the same time, there has been a lack of commitment to support research projects. In addition, there is not a clear and publicly available application process for research. When Anglicare has inquired about the application process we were advised to follow criteria but no criteria were provided and nor is there any available on the GSB web site. We have not received a reply to our most recent application for funding, which was sent to the GSB on 13 July 2004. Since then, however, we have been told that the research funds are “fully expended”.

Anglicare recommends:

- That a strategic plan be developed for the allocation of funds across all sections of the CSL, including problem gambling services, problem gambling research, community education, the charitable and sports grant rounds and other health services. The plan should include processes for allocating excess funds from each section of the Levy. The Government should seek advice from community groups in forming this plan and the plan should be publicly available.
- “Other health services” that are core government business should not be funded from the CSL.
- All projects funded as “other health services”, including the Tasmanian Health and Wellbeing Fund, should be on public record, with reports made each year in the TGC Annual Report.
- There needs to be a publicly accountable process for spending accumulated “excess” monies in any of the streams of the CSL funds. This process should include the opportunity for community groups to bid for funding for gambling-related projects.
- A Research Committee should be reinstated and provided with the mandate to establish a strategic direction for research into gambling, criteria for funding research and a budget to allocate to projects (with the approval of the relevant minister). This committee should include at least one member from NGO sector.
- All government-initiated research projects should be open to tender.
- There should be opportunity for community groups to apply for funding of gambling research, according to established criteria which should be available on the Gambling Support Bureau’s web site.

(c) The suitability of the Tasmanian Gaming Commission or the appropriateness of an alternative model to oversee and administer funds

The TGC, which is situated in and staffed by Treasury and Finance, checks that CSL expenditure meets the intent of the *Gaming Control Act*. The GSB, which is located in the Department of Health and Human Services, manages the distribution of funds from the charitable grants and “problem gambling” section of the Levy.

Anglicare considers that neither the TGC nor GSB should administer the CSL funds as they are not independent of Government. This lack of independence may be contributing to the under expenditure from the Levy and the limited amount of research related to innovative gambling policy issues.

In 2002, the Legislative Council Select Committee recommended that the Levy should be overseen and administered by an independent body with greater accountability to the public. This body was to ensure that the Tasmanian research agenda was founded on public consultations. Presently the GSB is supposed to have responsibility for ensuring

that research meets the needs of the public; however, Anglicare considers that the GSB has failed the Tasmanian public in this area. In particular, the GSB has failed to maintain the operation of the Tasmanian Gambling Research Reference Group, which was established to advise it.

There also does not seem to be any mechanism for complaints to be made about the distribution of grants.

Anglicare recommends:

- Re-establishment of a Community Board to oversee distribution and administration of all charitable grants.
- Re-establishment of a Research Committee to consider research directions, call for tenders, and vet applications for research funding.
- Establishment of a complaints mechanism, with public recording, about the disbursement of charitable, sporting and research grants.
- Public recording of all submissions to grants cycles including applications for charitable, sporting and research grants.

(d) The administration costs

Anglicare maintains that it is not appropriate to fund GSB staff wages and grant administration costs out of the CSL funds. In the case of the Sports and Recreation grants administration is absorbed by the relevant department.

Anglicare recommends:

- The Department of Health and Human Services should absorb the costs of GSB wages and administration costs for the grants scheme.

(e) The legislative requirements

Although the 1993 legislation intended that gambling policy be informed by research very little money has been spent on gambling research over the past 8 years. Advice to the Treasurer regarding disbursement is currently coming from the Treasury-held Gaming Commission and the Department of Health's Gambling Support Bureau.

It was not the intention of the legislation to provide for the funding of GSB staff and functions out of the CSL funds (see recommendation in section (d) above).

Anglicare recommends:

- The intent, purpose, use and administration of the Levy should be clarified. This should include clarification of what activities should be funded under "other health services" and greater allocation to research from within the 50% section of the Levy.

- Advice to the Treasurer about the proposed distribution of the CSL should be provided from bodies independent of Government.

(f) Any other relevant issues

Anglicare is supportive of initiatives such as the Gambling Support Bureau's 2003 advertising campaign, which was funded out of the CSL. It appears that this campaign was successful in raising awareness of support services for people experiencing problems with gambling and in increasing the number of people seeking help. However, it is not clear from the Bureau's strategic plan 2003-2006 whether they intend to run this campaign again. Such activities are clearly mandated to be funded through the CSL.

There is not consistent evaluation of all sections of the Levy.

It is difficult to track expenditure of the CSL. Expenditure is reported annually by the Gaming Commission; however their annual report does not contain budget lines.

Anglicare recommends:

- The GSB should maximise their opportunities for promoting support services and community education. Specifically, given the positive evaluation of the recent advertising campaign, the Bureau should initiate strategic ongoing campaigns.
- All expenditure from the CSL should be subject to evaluation. This should include GSB activities and management, the grant programs, funding of "other health services" and research, including government-initiated projects. These evaluations should be available on the GSB and Treasury web sites and reported on in the TGC annual report.
- There needs to be greater consistency in the reporting of the revenue and expenditure of the CSL, with consistent budget lines to report against. These lines could fall into the 5 categories originally listed in the 1993 Act, these being:
 - Research into gambling
 - Services for the prevention of compulsive gambling
 - Treatment or rehabilitation of compulsive gamblers
 - Community education concerning gambling
 - Other health services
 Expenditure should be itemised for each line of this section.

Thank you for this opportunity to address the Committee,

Chris Jones
 CEO Anglicare
 18 Watchorn St, Hobart; ph: 6234 3510
 9 March 2005