Submission No 20

INQUIRY INTO IMPACT OF GAMBLING

Organisation: Gambling Impact Society (NSW) Inc

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Gambling Impact Society (NSW) Submission to the NSW Legislative Council Select Committee on Gambling Inquiry, 2014

Thank you for the opportunity to respond to the NSW Select Committee Inquiry into Gambling. The GIS has made many submissions to inquiries at both State and National level, these are on the public record. We refer you in particular to our submissions to the Productivity Commission 2009 & 2010, and Hansard records of our appearance at hearings in relation to the PC inquiry and the Federal Joint select Committee on Gambling. As you may be aware I was a member of the Federal Ministerial Expert Advisory Group on Gambling and have been working in this field as both as problem gambling counsellor and community advocate on gambling issues for the past 15years. I am a professional Social Worker of 30 years and a member of a family affected by problem gambling. I am also Public Health and Gambling PhD candidate at Monash University.

As the Executive Officer of the Gambling Impact Society (GIS) I will endeavour to summarise our concerns under the headings of your inquiry and (along with other consumer representatives from our team) would be happy to speak to at any hearings you may consider holding on these matters.

a) The design and accessibility of electronic gaming machines and new and emerging gambling products and services

The GIS has promoted a public health approach to gambling harm since our inception in July 2000. Like other legally and community sanctioned products of "dangerous consumption" (Tobacco and Alcohol,) we believe gambling products and EGM's in particular, require effective regulation in order to protect consumers from known harms. We are aware of a significant body of research evidence accumulated over the past 15 years in Australia (Productivity Commission reports 1999 & 2010, Dickerson 2003, Livingstone & Woolley 2007 etc.) which clearly indicates that EGMs (pokies) present considerable risks to those who engage in them once a week or more. They are responsible for the majority of those in treatment for gambling problem (80%) and the average losses for a person with an EGM gambling problem are $21,000 per year (Productivity Commission 2010).

Research has indicated the design of the machines have some inherent features which are particularly problematic (Dixon et al 2010, Livingstone and Woolley 2007) these include "losses disguised as wins", speed of gambling, multiple lines of gambling, free spins, linked jackpots the algorithms which underpin these features. We believe these design features are significant contributors to consumer harm and

should be required under regulation to be assessed as to product safety within the norms of consumer protection.

We are of the understanding that other consumer products are considered with regards health and safety standards and in this case we think that the standards for EGM's need to be revised to support such assessments. At present we do not believe that is the case. We question why gambling products do not have to undergo such scrutiny before made accessible to the public for consumption. We are aware that 15 % of EGM users have significant gambling problems and another 15% have moderate risk (Productivity Commission 2010) and that 44.7% of those who use them regularly incur some impairment of control (Dickerson 2003). A simple analogy would with a restaurant, would suggest that if 30-50% of customers were developing ill-health as a result of its products, consumer protection laws would require both further investigation and potential restrictions on operations. We consider gambling products should be considered under consumer protection legislation.

b) The regulation of the number and location of electronic and high Intensity gaming machines

As stated we believe the regulation of electronic gaming machines fall well below community expectations. During the recent National Gambling Reform debate 2010 2013 community polls indicated between 70-80% of the community wanted to see effective gambling reforms developed (refer http://gamblingreform.org/resources/research-and-polls/.
There is considerable community concern about pokies. However the recent reform debate evidence major lobbying from the gambling industry which ferociously sought to quash community requirements for change.

We believe the issue of gambling harm requires a whole of government response and not be undermined by such politics, whereby in this instance, backbenchers in marginal seats were left vulnerable to specific targeting by lobbyist. Neither should the effective reduction of harm be undermined by political parties signing undertakings with the gambling industry to protect gambling profits.

We are particularly concerned about the powerful lobby group for Clubs in our State (ClubsNSW) and how they seek to undermine community concern, demand soft regulation and often promote ineffective harm minimisations measures. There is a considerable power imbalance in the decision-making about EGM regulation in NSW. Community representation on this issue is minimal and there are ineffective consultation processes in place by comparison to those with the gambling industry. Current regulation and policy decision-making is biased towards the gambling industry. There is also minimal local government involvement in decision - making on licensing or the numbers of EGMs in Communities.

As an example, in our own locality (Shoalhaven) the local Council has developed a "no comment policy" on any submission for expansion of gaming machines in the LGA. This is contrary to what its own community services department recommends. The Mayor Joanna Gash (at the time also a sitting Federal Liberal MP) further countered by writing to the Liquor Administration Board actively supporting an application for EGM expansions in the Ulladulla locality. His is a locality with 3 times

the national average of gambling problems and significantly vulnerable populations. This action was clearly in breach of the Council's own policy.

Such positions by local councils denies ratepayers opportunities for consultation as to what level of EGM access do they consider healthy for their LGA. We strongly recommend to the Committee that local communities should have a right to consider levels of EGM access in their communities. Local Councils (as in Victoria) should be required to consult with their communities on this issue and be mandated to respond to gaming machine license applications in their LGA's

We submit a recent GIS submission to the OLGR/LAB in response to gaming machine expansion application in the Shoalhaven for considerations by the Committee. This provides an overview of our concerns on the process of these applications, the vulnerabilities within our community and our objections to these expansions.

In particular you will see that we raise concern about the current process of local Impact Assessments and the way EGM expansions are justified based on a concept of "positive contributions" which at the "LIA one" level (20 machines or under) fails to consider community harm from problem gambling. In this particular case the "positive" justifications was the proposed funding of health service- the irony of justifying the health benefits to one health target group by exacerbating harm to another was not lost on many in our community who we consulted. We believe this model needs reform.

c) Voluntary pre-commitment technology and operational guidelines

As a member of the Ministerial Expert Advisory Group on Gambling I was privy to much discussion on this issue, along with our own consultations with consumers over many years. This has led us to believe that Voluntary pre-commitment will be ineffective in providing adequate consumer protection. We continue to support the concept of a full Pre-committeeman system as identified and recommended by the Productivity Commission 2010. In the current absence of a political commitment to this, we fully support the reduction in minimum bet size to $1 as we believe from our consultation with consumers that this would be most easy to understand and effective in its ability to reduce harm from EGM use.

d) Access to cash and credit in and around gambling venues, and the form and delivery of cash prizes.

Current legislation in NSW restricts the provision of credit in relation to gambling and we strongly support this. In addition, consumers have regularly requested the removal of ATMs from gambling venues as this is considered a major contributor to gambling problems. Those gambling problematically are the highest users of ATMs in gambling venues and research indicates that non-problem gamblers and non-gamblers have limited use which is why the ATM limit reductions to $250 was chosen in the National Gambling Reform legislation. Whilst the removal of ATMs would be preferable, limits on cash access in the abscence of such legislation is preferable to no limits. Access to credit for gambling is currently banned and should

be maintained and Cash prizes should be restricted to nominal amounts. Currently the limit is $2,000 which is too high and creates further risks for problem gambling.

e) The role and capacity of gambling industry staff to address problems caused by gambling

There is considerable evidence to support the training of gambling venue staff to better identify and proactively intervene with those who may be developing gambling problems and proactively encourage safer gambling behaviour (refer http://www.responsiblegambling.org/docs/research-reports/responding-to-patrons-with-potential-gambling-problems.pdf?sfvrsn=17

Some Australian jurisdictions already regulate for this level of engagement (Victoria, ACT). NSW is lagging behind, yet with the largest number of gaming machines this should be a priority. The Gambling Impact Society is already having discussions with two local clubs as to how we can support interest and help develop training. We are also aware that Catholic Clubs in SW Sydney are already committed to developing similar programs. It is important to have this normalised throughout the State with appropriate training program criteria and programs established for all gambling venue staff.

The GIS currently runs, Consumer Voices – A Peer Spokespeople Program whereby we have trained those affected by problem gambling (gamblers and family members) as community educators to use their personal stories to assist training programs and increase community awareness and education (this is a Dept. Social Services funded project). So far we have delivered over 100 presentations to Health and Community Welfare agencies and service groups in the Illawarra, Shoalhaven and Sydney area over 1,000 people have attended. The feedback has been overwhelmingly positive. We have conducted this with RCG courses and some gaming venues including Star Casino. This kind of program could also be included in staff training as a means to foster the sharing of consumer experiences of problem gambling impacts, effectiveness of venue support and opportunities for development.

f) The regulation of telephone and internet gambling services in other Jurisdictions in Australia and overseas

Whilst EGMs and their prolific expansion in access since the 1990's has caused significant harm in the community and remain the most harmful product, we are aware that the new wave of gambling products via mobile phones and the internet pose some additional risks for the community. There are very few effective harm reduction regulations with regards these products and whilst internet gaming is banned in Australia, there are no protections for consumer using offshore products. Harm minimisation measures for online wagering products are limited. We believe this needs further investigation and effective consumer protections established.

g) The regulation of gambling advertising

Gambling advertising is a growing issue of concern. The increase in sports sponsorship by the gambling industry has raised considerable public concern and

has led to some regulation at a national level. However, this is of limited value in addressing the concerns of: static displays in sports arenas, commuter locations and on billboards. It fails to address mobile promotions through social media, mobile phones or general TV and radio. As discussed at the recent International Gambling Conference in Auckland, NZ 18-21 February the proliferation of gambling advertising is insidious and prolific (Assoc Prof. Samantha Thomas Keynote addresses 20/2/14).

Of particular concern is the exposure to children and the systematic linking of gambling products to sport (healthy youth activities) along with the active targeting of children and young people. There are significant risks for youth and gambling with some studies finding young men 18-24 as the higher risk group for problem gambling (Neilson 2006). The normalising of gambling into children games, sports, social media, TV and radio has been regarded by some as a form of "grooming to gamble". We believe these needs to be substantially curtailed and as in the case of Tobacco, effectively regulated with regards signage location to schools and other promotional areas where children will be exposed.

h) Exemptions and exceptions to State and Federal laws and policies relating to gambling

Current weaknesses in policy with regards locations of EGMs in gambling venues have been raised on a number occasions by consumers. This has included concerns about EGM locations near restaurant facilities, whereby sounds may carry across the room, lack of sufficient screening in public places and the need to walk through gaming areas to access other areas of the venue. We consider these concerns reflect either insufficient policing of premises for compliance or exemptions which are failing to protect consumers (refer to our recent submission to LGA attached as an example).

i) Gambling education including school-based programs, and measures to Reduce the exposure of children and young people to gambling activity

Whilst the Productivity Commission of 2010 did not uphold the suggestion of school based education programs on gambling, our anecdotal evidence suggests that children are already gambling and yet not getting appropriate education as to the risks involved or where to go for support should it become a problem. We are aware of models such as the Happy Harold Life Education program which has successfully introduced children to healthy behaviours along with identifying how to respond to risky products and risky behaviour. We believe gambling education base in a similar health based context would be beneficial to children from as early as years 5 through to yrs 12 on a progressive basis.

j) The adequacy and effectiveness of problem gambling help services and programs, including service standards, qualifications and funding of chaplaincy, counselling and treatment services

The GIS has consistently raised concerns about the lack of resources for Gambling Help Services (or indeed our own health promotion and early intervention programs). There is a deficit in Public Health models for gambling in NSW, despite the benefit of this model being widely documented (Productivity Commission 2010, Messerlain et

al 2004, Karon et al 2003, Shaffer & Korn 2002, Korn & Shaffer 1999, Productivity Commission 1999) and as a result an ongoing deficit of integration with other health programs. We have consistently raised the need for "good governance" on gambling and strongly recommend that the governing portfolios should be split between the Ministry of Health and the OLGR to achieve that.

At present the responsibility for the development of policy and service delivery for problem gambling treatment programs, education, and research lies with the primary regulatory body for the gambling industry (the OLGR). This is unheard of in other related areas such as Alcohol. It creates a major conflict of interest and also fails to avail the target group (gamblers and their families) the benefit of the professional knowledge, models for intervention (both primary and tertiary) and organisational culture substantially available to other related health disorders through the Ministry of Health and Health services. This is not to dismiss the work currently undertaken by the 40 Gambling Help service in NSW who try admirably to provide services with limited resources and in services often marginalised from the inclusive range of health services across the State. This creates substantial barriers for help seeking consumers many of whom expect to be able to access support through their local health services. This is not to devalue the work of NGOs or consider that they would not be included in working within Gambling Public Health Framework. However the absence a comprehensive Public Health model for gambling in NSW means that Gambling Help services operate substantially outside the health system and this creates barriers to access along with contributing to the stigmatising of those affected.

The program reach of existing gambling treatment services is approximately 10% of those affected by problem gambling and within that, only 17% of families/ friends are accessing Gambling Help services (Client Data Set OLGR report 2013). There is a need to develop a range of interventions for all those affected by problem gambling and this requires a diversity of programs beyond treatment. This includes community development and community education to reduce stigma and build community capacity to respond, greater public awareness campaigns and expanded social marketing, more training for health staff and those in front line services, and a range of interventions similar to those we have already developed with other health issues such as tobacco, alcohol and mental health. Problem gambling needs to be addressed within a public health framework, be recognised as a legitimate health disorder and therefore included as core business of the Ministry of Health.

The Director of NSW Drug Alcohol and Mental Health services has as we understand it, attempted to foster a greater relationship with OLGR and indeed the NSW IPART inquiry into gambling (2004) made specific recommendations for treatment service to be included NSW Health. However, a decade later this has not occurred neither has the recommended joint advisory group been established .This is grossly negligent and adds to the barriers for those affected by problem gambling.

The recent revision of DSM5 (Diagnostic and Statistical manual of Psychiatric Disorders) considers Gambling Disorders an addiction. In addition, the co-morbidity rate between problem gambling, depression, anxiety and suicide are substantial. This alone provides justification to consider the responsibility for treatment, health

promotion, education, primary and secondary treatment and research should be embodied within our Health Dept. To use a comparable arrangement - we do not expect the OLGR to manage the health of those who use alcohol excessively (this is the responsibility of the Ministry of Health) but we do expect them to manage the harm minimisation regulatory responsibilities for the alcohol industry. A similar arrangement for the issue of problem gambling is long overdue in NSW.

As to Gambling Treatment Service effectiveness or their service needs? We are aware that the OLGR commissioned a review of the Gambling Help services in 2012 which informed their funding decisions for 2013. The GIS were contributors to this research undertaken by Schottler consultancy. We understood, as in most research, participants would be able to access a copy of the report. However to date the report has not been made available by the OLGR to our selves or any other contributors. Our written request was met by a refusal by the OLGR on the grounds that the report would identify contributing services. As a researcher myself, I am aware that the identities of research contributors can be protected in data and this seems a poor excuse. We understand others have tried to obtain a copy under FOI and have received a similar response. This has reverberated amongst the Gambling Help Service Community as a lack of consideration for those who contributed to this research, a lack of openness in service planning and a denial of information which may be helpful to service development and funding applications.

This is publically funded research and such lack of transparency by the OLGR is a concerning. We recommend that publically funded research should be made available to those who have contributed and any concerns about identification be dealt with in a professional data pooling and de-identifying manner.

In addition, Government funds for research in this area are extremely limited and have left researchers open to accepting funds from the gambling Industry -this significantly risks the independence of research in this field. Government research funds should be allocated to this issue to avoid the potential for bias and lack of confidence in the both the researchers and their bodies of work. Standards for funding independence are well established in field of public health and Alcohol & Tobacco and we strongly believe these standards are required in the case of gambling research.

k) The effectiveness of public health measures to reduce risk of gambling harm, including prevention and early intervention strategies

In accordance with the above comments there is substantial research evidence (Productivity Commission 2010) and a pressing need for a full comprehensive Public Health approach to be taken to reduce gambling harm (Roberts &Townsend, 2009). As with NZ, the portfolio needs to be split between the regulatory body and the health dep't. The industry regulatory body does not have the models, organisational skills or culture to drive or deliver a public health model for gambling.

These are World Health Organisational models developed over Health's history with other products of dangerous consumption, attuned to diverse communities and delivered by professionals with a breadth of health skills. The fact that gambling

continues to sit outside the health system denies the issue the full and comprehensive skill base it requires and consumers have a right to expect.

The current focus in NSW is upon tertiary treatment. There is minimal resourcing for primary prevention, health promotion, early intervention or community development. As per the WHO Ottawa Charter (1986) these are recommended strategies to address health issues from a public health approach their absence is evidence of the lack of commitment by the OLGR or NSW Government to a public health model in NSW. The Gambling Help workforce is predominantly individually therapeutically orientated and despite the recent focus upon community engagement, the workforce generally does not encompass the breadth of skills required to go beyond individual counselling. Community engagement goals are still primarily focussed on recruiting people into treatment rather than addressing community development, prevention or early intervention goals. There would need to be a considerable investment in training and recruitment of additional skills at all levels for the workforce to be in a position to fully embrace a public health model.

Health on the other hand has a breadth of experience, skills and personnel working with this model on other health issues. This workforce with some additional training could be engaging in variety of levels with gambling issues alongside their generic health work with existing clients and new clients. The fact that problem gambling is not regarded as core business in Health services is a major omission and reflects the politics of the issue rather than the need at the community level. We strongly believe this is a failure in “good governance”.

The funding of problem gambling services is also long overdue for reform. The 2% levy on Star Casino is the only funding specifically targeted to address the issue. This approximates to $13mil per annum to the OLGR of which 20% funds the RGF branch office and staff. The rest is divided between treatment services, some community engagement and research. All levels of service are grossly underfunded and cannot with any surety develop more comprehensive services without additional funds. This is in a State with over 98,000 gaming machines substantially contributing harm whilst providing massive financial profits for the gambling industry and providing 9% of State based taxes, yet minimally contributing to gambling harm prevention or treatment. By comparison, Victoria which has a lesser population than NSW and a limit of 30,000 EGM’s allocates $25 mil per year to address problem gambling. This is inequitable.

The GIS has for many years suggested that a formula such as that used in NZ would be a more equitable system for developing a model whereby all gambling products were levied to contribute to a public health fund. This would be administered by government to fund all levels of a public health model. The current funding model in NSW is inequitable, inadequate and substantially under-resourced. It is therefore impossible to develop a comprehensive public health model for gambling without addressing funding reform to support it.

l) The effectiveness of strategies and models for consumer protection and responses to problem gambling in other jurisdictions in Australia and overseas,

There is no doubt that Australia has developed a range of harm minimisation strategies to try to address problem gambling. However there is also considerable evidence to suggest there is significant room to develop more effective measures with an emphasis upon consumer protection embedded in a comprehensive public heath model (Productivity Commission 2010). This requires a National Framework to drive it and in doing this, include gambling harm reduction in the National Outcomes for Health leading to a policy which could guide States and Territories in public health models and related strategies. Present strategies appear to be developed ad hoc and different across jurisdictions in Australia. Our nearest neighbour, New Zealand, after considerable community consultation, developed Public Health and Gambling legislation in 2003. This substantially continues to drive a public health approach to Gambling in their Country. We could be developing similar legislation.

and

m) Any other relevant matters.

Whilst we believe there needs to be some National leadership on this issue, it is perhaps not so ironic that NSW, which has the largest number of gambling products linked with substantial community harm, along with a major gambling industry with considerable political power and resources, has adhered to primarily a medical model for problem gambling to date promoting responsible gambling messages as the crux of prevention. This patholigises the individual, places major responsibility upon changing individual behaviour and minimal focus upon product supply, industry regulation or government responsibility. Recent evidence from ANU research into gambling help and barriers to support (Carroll, 2012) indicates that the focus on "responsible gambling" messaging is creating major barriers for those affected and contributes to the ongoing stigmatising of this community.

The National Gambling Reforms achieved in 2012 were substantiallyundermined by the gambling peak body ClubsNSW who are the largest members of Clubs Australia. Their political lobbying funded by a $40mil war chest along with the AHA sought to target democratically elected members of parliament to destabilise the reform agenda. The current National Government has recently repealed these modest reforms preferring to place the focus of management back to States and Territories. Those of us affected by problem gambling are tired of being the political football to be bounced between government responsibilities and political agendas. We attach our latest newsletter which includes our submission to the Senate Inquiry of December 2013. This is where the views of many of the consumers who have contacted us over the past 14 years are summarised into what one may consider a charter of demands. We encourage you to seriously consider our requests in this latest NSW inquiry.

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